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May 2000

Housing Commission - recommended approval on May 11, 2000 (5-0)
HC Resolution No. 2000-002 (Housing Element only)

Planning Commission - recommended approval on May 17, 2000 (7-0)
PC Resolutions No. 4777 (Negative Declaration) and 4778 (Housing Element)

City Council - approved on July 11, 2000 (5-0)
CC Resolution No. 2000-224 (Negative Declaration and Housing Element)

State Department of Housing and Community Development notified Carlsbad of their
approval/certification of the Element on December 1, 2000.

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INTRODUCTION

i. BACKGROUND

The City of Carlsbad, California, was incorporated in 1952 and encompasses 42 square miles of coastal North San Diego County. Carlsbad is surrounded by the incorporated cities of Oceanside, Vista, San Marcos and Encinitas, as well as some unincorporated portions of San Diego County.

Carlsbad derives its name from its natural mineral springs, which are similar in taste and composition to the famous mineral springs in the former Karlsbad, Bohemia (now known as Karlovy Vary, Czech Republic). In keeping with the name derivation, Carlsbad has continued to pursue a "village by the sea" atmosphere and appearance, especially in the downtown area.

Over the last 20 years, a large amount of industrial and office developments in the vicinity of the McClellan/Palomar airport have added a high-tech and progressive business component to Carlsbad. The City is located in a prime business location, along the Interstate 5 corridor between Los Angeles/Orange County and San Diego, and the access provided by the local airport and commuter rail stations augment existing and future business opportunities.

Also in the last 20 to 25 years, Carlsbad annexed many contiguous County areas, such as La Costa, rapidly increasing growth and population. This rapid growth caused the City to generate a growth management program that tied development to the provision of facilities and services and set maximum dwelling unit counts for the City's buildout. This growth management program was ratified by the voters in 1986 and allowed Carlsbad to continue to grow while still providing adequate infrastructure and protecting sensitive natural resources.

With the exception of its mild, Mediterranean climate, Carlsbad is physically quite diverse. Within the City limits are three lagoons (Buena Vista, Agua Hedionda and Batiquitos), over six miles of sand and cobble beaches, and varied topography reaching peak elevations of between 725 and 825 feet. Carlsbad is also home to a fresh water lake (Lake Calavera) as well as large stands of native scrub and chaparral habitat.

With regard to regional services and attractions, Carlsbad is unique among the coastal North San Diego County jurisdictions. Besides being home to the McClellan/Palomar airport, Carlsbad contains a regional waste water treatment plant and an electrical generating power plant. Visitors and tourists are attracted to Carlsbad not only for the beaches and physical scenery, but also for such opportunities as the Plaza Camino Real regional mall, Car Country Carlsbad auto sales park and the LEGOLAND Carlsbad theme park.

As Carlsbad develops in accordance with the City's General Plan, the various components of a well-balanced community, including housing opportunities, will take shape upon the landscape and continue the City's local and regional significance.

INTRODUCTION

I BACKGROUND

The City of San Diego is a coastal city located in the southwestern corner of the state of California. The city is situated on a narrow strip of land between the San Diego Bay and the San Diego River. The city is a major center of commerce and industry in the region.

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ii. EXECUTIVE SUMMARY

Of the eight state-required elements of the General Plan, the Housing Element is the most regulated and reviewed, signifying the state-wide importance of providing adequate housing opportunities for all income levels, including those individuals with special needs.

This element is arranged into three sections: *Section One: Housing Needs and Inventory* addresses the housing supply and demand by summarizing the population and employment trends in the City and/or region, as well as providing an inventory of the existing and potential housing stock. This section also includes the City's regional share allocation.

Section Two: Constraints and Opportunities explores the various governmental, non-governmental, and environmental constraints to maintaining existing housing and providing future housing and the mitigating opportunities afforded by the Housing Element policies and programs. This section also discusses the opportunities for energy conservation in the development of housing.

After assessing the housing needs, available inventory and constraints, *Section Three: Goals, Objectives and Programs* outlines the policies, objectives and programs for providing adequate housing opportunities to meet the anticipated needs.

In addition to the above-referenced sections, the Housing Element contains several appendices. These appendices, listed in the table of contents, include such items as a review of the 1990 Housing Element, a review of the City's Inclusionary Housing Program, pertinent maps and ordinances, the City's Consolidated Plan, a current development fee schedule for development permits, and public notices and survey forms.

EXECUTIVE SUMMARY

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iii. STATE HOUSING LAW

The requirements for Housing Elements are contained in Sections 65580 to 65589 of the State of California Government Code. This legislation requires each jurisdiction in California to: 1) identify and analyze the existing and projected housing needs and, 2) list goals, policies, objectives, resources and programs for the preservation, improvement and development of housing. To facilitate review of this Housing Element by the California Housing and Community Development Department, the table below lists the required contents of Housing Elements and identifies where the contents may be found in this element.

TABLE 1 - STATE LAW COMPLIANCE GUIDE

<i>Requirement</i>	<i>Page(s)</i>
Section 65583	
(a) Needs Assessment, Inventory of Constraints/Resources	
(1) Population and employment trends	15 - 19
(2) Household and housing stock characteristics	19 - 21, 28 - 31
(3) Land inventory and analysis of infrastructure	34 - 40
(4) Governmental constraints	41 - 55
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(1) Adequate sites	34 - 40
(2) Assist development of affordable housing	69 - 91
(3) Remove governmental constraints	69 - 91
(4) Conserve existing housing stock	69 - 91
(5) Promote equal access to housing	69 - 91
(6) Preservation of assisted housing	69 - 91
(d) Public Participation	13

TABLE 1 - STATE LAW COMPLIANCE GUIDE

<i>Requirement</i>	<i>Page(s)</i>
Section 65584	7 - 8
(1) Regional Housing Needs Assessment (SANDAG)	

The review of Housing Elements and their revisions typically occurs on five-year cycles. These revision cycles occur over different five-year periods for different governments within California. For those local governments in the jurisdiction of the San Diego Association of Governments (SANDAG), the first revision cycle ended on July 1, 1985 and the second revision cycle ended on July 1, 1990. The SANDAG member jurisdictions have recently completed their third housing revision cycle, which ended July 1, 1999. The fourth housing revision cycle, the subject of this Housing Element, will extend from July 1, 1999 to June 30, 2004. Some of the following text that refers to State law uses these housing cycles rather than actual dates, since it was written to apply generally to all jurisdictions within California.

iv. REGIONAL SHARE HOUSING NEEDS ASSESSMENT

The allocation of Carlsbad's regional share housing needs assessment was calculated by SANDAG using the same methodology as used in distribution of projected housing growth, according to the 2020 Regional Growth Forecast. SANDAG's Regional Growth Forecasts have been shown to be quite accurate, typically within five percent of the actual growth. According to the Regional Housing Needs Statement for the San Diego Region, the models and forecasting process used by SANDAG are consistent with the requirements of Section 65584 of the State Housing Element Law for determining San Diego region's share of the statewide housing need and the allocation of that need to cities and the County.

One issue that resulted from the latest growth projections and allocations was that the general and community plans of the 18 cities and County, taken in aggregate, will not accommodate the projected residential growth. SANDAG anticipates that all land currently planned for densities of one unit per acre or higher will be developed within the next 20 years. Therefore, SANDAG's Land Use Distribution Element recommends placing higher densities and mixed uses around transit centers, along major bus corridors and within traditional town centers. This process would require some local jurisdictions to consider increasing the residential density ranges in and around these transit and downtown areas. The City of Carlsbad, through its Density Bonus Ordinance and Village Redevelopment Master Plan and Design Manual, already has the ability to raise residential densities in any residentially-designated area, provided some of that increased density is used to provide housing for lower-income households.

The following regional share housing needs assessments are derived from the SANDAG's Draft Regional Housing Needs Statement for the San Diego Region, dated November 1998. The housing unit allocations are divided into categories, based upon the income ranges listed in Table 2 - "Income Group Definitions by Annual Household Income", below.

TABLE 2 - INCOME GROUPS DEFINITIONS BY ANNUAL HOUSEHOLD INCOME	
Income Group	Annual Household Income
Extremely Low Income	Less than 30 percent of the area median income
Very Low Income	30 to 50 percent of the area median income
Low Income	51 to 80 percent of the area median income
Moderate Income	81 to 120 percent of the area median income
Above Moderate Income	Over 120 percent of area median income

The actual income needed to qualify as a particular income group is based upon the number of persons in the household. Given an area median income for a four-person household in the San Diego region of \$50,800 for 1998, Table 3 - "Annual Income Limits - San Diego Region - 1998", below, details the annual income limits for the various income groups, based upon the number of persons in the household.

TABLE 3 - ANNUAL INCOME LIMITS – SAN DIEGO REGION - 1999						
Income	Income Limit by Number of Persons per Household					
Category	1	2	3	4	5	6
Extremely Low	\$11,050	\$12,600	\$14,200	\$15,750	\$17,000	\$18,250
Very Low	18,400	21,000	23,650	26,250	28,350	30,450
Low	29,000	33,600	37,800	42,000	45,350	48,700
Moderate	44,100	50,400	56,700	63,000	68,050	73,100
Above Moderate	>44,100	>50,400	>56,700	>63,000	>68,050	>73,100
Source: California Department of Housing and Community Development, January, 1999						

Given the above income categories and the projected regional growth forecasts, the regional share housing needs assessments for Carlsbad are as follows:

**TABLE 4 - REGIONAL SHARE HOUSING NEEDS ASSESSMENTS FOR CARLSBAD
1999-2004 HOUSING CYCLE**

Very Low Income:	1,770 housing units
Low Income:	1,417 housing units
Moderate Income:	1,436 housing units
Above Moderate:	<u>1,591 housing units</u>
TOTAL UNIT ALLOCATION:	6,214 HOUSING UNITS

v. SELF-CERTIFICATION FOR SAN DIEGO REGION JURISDICTIONS

The Housing Element is the only element of the General Plan requiring review and certification by a state agency, namely the State Department of Housing and Community Development. This review exists to certify that a Housing Element is in substantial compliance with state law. In 1995, SANDAG sponsored AB 1715 to allow the San Diego region jurisdictions to conduct a pilot program for self-certification of their Housing Elements. Under this program, each SANDAG member jurisdiction has the option of reviewing its own Housing Elements and certifying that its elements are in substantial compliance with state law, provided certain criteria are met.

The self-certification program is detailed in SANDAG's "Housing Element - Self-Certification Report: Implementation of Pilot Program for the San Diego Region", dated June 1998. A copy is attached in its entirety as Appendix C. The report contains the self-certification criteria and associated affordable housing goals. These criteria and goals were derived from cooperation between the local jurisdictions, housing advocacy groups and housing providers. They are intended to provide more flexibility in the provision of affordable housing by allowing different types of housing to count towards the regional share allocation. The self-certification criteria for the San Diego region are as follows:

- Criterion 1: *The jurisdiction's adopted housing element or amendment substantially complies with the provisions of this article, including addressing the needs of all income levels.*
- Criterion 2: *For the third housing element revision pursuant to Section 65588, the jurisdiction met its fair share of the regional housing needs for the second housing element revision cycle, as determined by SANDAG.*
- Criterion 3: *For subsequent housing element revisions, the jurisdiction has provided the maximum number of housing units/opportunities as determined pursuant to Section 65585.1(a) within the previous planning period.*
- Criterion 4: *The city or county provides a statement regarding how its adopted housing element or amendment addresses the dispersion of lower income housing within its jurisdiction, documenting that additional affordable housing opportunities will not be developed only in areas where concentrations of lower income households already exist, taking into account the availability of necessary public facilities and infrastructure.*
- Criterion 5: *No local government actions or policies prevent the development of the identified sites pursuant to Section 65583, or accommodation of the jurisdictions' share of the total regional housing need pursuant to Section 65584.*

The performance objectives for the self-certification process include an income group not included through the state certification process. This income group is the extremely low-income group, with household incomes below 30 percent of the San

Diego region median (approximately \$15,250 per year household income for a family of four). Listed below are Carlsbad's performance objectives for the 1999 - 2004 housing cycle under self-certification:

**TABLE 5 - SELF-CERTIFICATION PERFORMANCE OBJECTIVES FOR CARLSBAD
1999-2004 HOUSING CYCLE**

Extremely Low Income Goal (<30% median income):	170units
Very Low Income Goal (30 - 50% median income):	201units
Low Income Goal (50 - 80% median income):	<u>258 units</u>
Total Performance Objectives Under Self-Certification:	629 units

Source: SANDAG's "Housing Element - Self-Certification Report", June 1998

It should be realized that the above-referenced objectives apply only to Carlsbad's eligibility for self-certification. Criterion 3 above still requires that a City's Housing Element be in substantial compliance with state law.

vi. RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

California law requires that General Plans contain an integrated and internally consistent set of policies. The Housing Element is most affected by development policies contained in the **Land Use Element**, which establishes the location, type, intensity and distribution of land uses throughout the City. An analysis of the major policy areas of the **Land Use Element** and its relationship with the Housing Element is contained below.

The Housing Element is also affected by policies in the **Noise Element** and the **Public Safety Element**, which contain policies limiting residential development in certain areas for reasons of noise impacts, geology, and public safety, including the location of Palomar Airport and its influence area. The Housing Element also relates to the **Circulation Element** in that major areas for housing must be served with adequate access routes and transportation systems.

The Housing Element uses the residential goals and objectives of the City's adopted **Land Use Element** as a policy framework for developing more specific goals and policies in the Housing Element. The numerous goals and objectives of the **Land Use Element** encompass five main themes:

1. **Preservation** - The City should preserve the neighborhood atmosphere, retain the identity of the existing neighborhoods, maximize open space, and ensure slope preservation.

2. **Choice** - The City should ensure a variety of housing types (single-family detached or attached, multifamily apartments and condominiums) with different styles and price levels in a variety of locations.

3. **Medium and High Density Compatibility with Surroundings and Services** - The City should provide close-in living and convenient shopping in the commercial core but limit large-scale development of apartments to areas that are most appropriate.

4. **Housing Needs** - The City should utilize programs to revitalize deteriorating areas or those with high potential for deterioration and seek to provide low and moderate income housing. The City will also address the special housing needs of the homeless, the farm worker, the physically challenged and the elderly.

5. **Growth Management Program** - The Housing Element was reviewed with regard to the Growth Management Program, developed in 1986. The analysis found that the Growth Management Program would not significantly impact the Regional Housing Needs or the Housing Element as the City's housing needs and fair share goals will continue to be met. It is the purpose and intent of the Growth Management Program to provide quality housing opportunities for all economic segments of the community and to balance the housing needs of the region against the public service needs of Carlsbad's residents and available fiscal and environmental resources.

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vii. PUBLIC PARTICIPATION

The general public has been solicited for comments on the proposed Housing Element in a variety of ways. These include meetings through the Housing Element Advisory Committee (HEAC) at SANDAG, a local public workshop, a public survey mailing to interested parties, and public hearings before the Housing Commission, Planning Commission and City Council.

The HEAC meetings at SANDAG were primarily based upon determining the self-certification criteria and which programs would count towards meeting the self-certification goals. By involving local advocacy groups and housing providers, the member jurisdictions of SANDAG were able to tailor the self-certification program to address the needs as presented by these groups and providers. The self-certification program and criteria is, therefore, a direct product of public participation.

The City also held a local public participation program that involved both a workshop and mailings of survey forms. The public workshop was held on April 8, 1999 and was noticed both in the paper and through the mail to potentially interested parties. The mailing list, attached in Appendix J, includes housing advocates, special needs providers, local and regional builders, building trade groups, local school districts, homeowner's associations and local neighborhood groups.

In addition to receiving a public workshop notice, many of the above mentioned groups received a copy of a draft housing element and a housing survey form (attached in Appendix J). The survey forms were also distributed at the public workshop and collected for two weeks following the workshop. Copies of the completed survey forms are available at the City's Housing and Redevelopment office.

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SECTION I

I. HOUSING NEEDS AND INVENTORY

The estimated housing need can be determined by comparing the housing demand with the housing supply. The estimated demand for housing in Carlsbad is determined by characteristics of the population (e.g. age, household size, income, special needs). The estimated supply is derived from totaling the housing inventory (e.g., number of units, tenure, cost, number of bedrooms) and the existing vacant residential land or opportunities in the City.

The following supply and demand analysis is divided into five sections: population characteristics, household characteristics, future housing need, existing housing stock and potential housing stock. The population characteristics section includes analysis and documentation of the population trends, in total and by age, ethnicity, and employment. Household characteristics are described through household sizes, composition, income and individuals and families with special needs. The future housing need is based upon the SANDAG regional fair share allocation. Taken together, these three sections describe the housing demand.

The existing housing stock describes the trends in housing unit type, tenure, vacancy, age and condition. This section also analyzes the existing housing units at risk of discontinuing affordability and tabulates the demolition and construction of housing in the coastal zone. By describing the existing and future housing stock, these two sections describe the housing supply.

The analysis in this section was performed with the best available data at the time of element preparation. Since the most recent census data is from the 1990 Census, some of the data has been extrapolated to 1998. In addition it should be noted that the classification of individuals with special needs can overlap. For example, a homeless individual might also be a senior citizen or handicapped or both.

The data sources for this analysis include: 1980 Census; 1990 Census; SANDAG's Population and Housing Estimates (January 1, 1998), Demographic Characteristics Estimates (March 31, 1998), 1990 and 1995 Employment Inventories, Evaluating Economic Prosperity, and 2020 Cities/County Forecast; San Diego County Apartment Association's "Spring 1998 Vacancy Survey" and "1998 Average Rental Rates by City/Area of San Diego"; Carlsbad's Consolidated Funding Strategy and Plan, San Diego Economic Bulletin, the City of Carlsbad's Building Department, Housing and Redevelopment Division, Regional Task Force on the Homeless, and various homeless service providers.

A. POPULATION

1. POPULATION TRENDS

The City of Carlsbad has experienced steady growth since its incorporation in 1952. In 1960, the population base was just under 10,000; by 1970 the population increased to almost 50 percent. In the 1970's, the City annexed areas of rapid growth,

such as the La Costa area and other county lands, resulting in a doubling of the City's population. By 1980, Carlsbad's population stood at over 35,000.

The 1980's brought another development boom to North San Diego County, with additional employment centers, more housing and the need for increased public services to accommodate the added population. Within five years, the population had grown by another 10,000 people instigating a 1986 ballot measure to limit growth and require infrastructure and public service improvements prior to development. Known as Proposition E, this growth management initiative had a stabilizing effect on the rapid population growth and, by 1990, Carlsbad's population had reached only 63,451.

Since the last Housing Element was prepared in 1990, there was a statewide housing recession that greatly diminished the production of housing and, therefore, population growth. This is reflected in the low percentage of change in population from 1990-1998 relative to other eight to ten year periods. In the last one to two years, the strong economy has allowed development to greatly increase. Since 1990, the most prominent areas of growth have occurred in the southwest and southeast quadrants of the City, namely the Aviara Master Plan, Zone 20 Specific Plan and the La Costa area. Table 6 - "Population Trends" shows the past and estimated population trends in Carlsbad, based upon regional and City forecasts.

TABLE 6 – POPULATION TRENDS		
<i>Year</i>	<i>Population</i>	<i>Percent Change</i>
1960	9,253	---
1970	14,944	61.5%
1980	35,490	137.5%
1990	63,126	79%
1998	73,688	16%
2010	109,332	48%
Sources: 1990 Census; SANDAG 20/20 Cities/County Forecast		

2. POPULATION BY AGE

The distribution of population by age is an important factor in considering the housing needs of the community and for determining housing strategies. The age data, shown below, indicates that the current median age in Carlsbad is 38.1 years old. The age classifications have changed since the last data accumulated in 1990, therefore some larger grouping was needed for comparison. This comparison of population changes, shown in Table 7 - "Carlsbad Population Trends by Age - 1990-1998" below, indicates that the largest growth has occurred in the age range of 75 years and older, a growth rate of over 60 percent. Also significantly growing was the population in the 45 to 64 age group and the 5 to 13/14 age group. Based upon this same comparison, there was actually a steep decline in the number of persons between the ages of 25 to 34, dropping by over 23 percent.

TABLE 7 – CARLSBAD POPULATION TRENDS BY AGE 1990 - 1998

Age	1990		1998		% Change
	Total	% of total	Total	% of total	
0 - 4	4,202	6.7%	5,139	7.0%	+16.3%
5 -13/14	6,819	10.8%	9,467	13.0%	+32%
14/15 - 24	8,226	13.0%	8,034	10.9%	-7.6%
24 - 34	12,041	19.1%	10,274	13.9%	-23.2%
35 - 44	11,845	18.8%	13,436	18.2%	+7.9%
45 - 64	11,722	18.6%	16,663	22.6%	+35.2%
65 - 74	5,410	8.5%	5,834	7.9%	+2.6%
75+	2,861	4.5%	4,841	6.5%	+60.9%
TOTAL	63,126	100%	73,688	100%	+16.7

Source: 1990 Census; SANDAG Demographic Characteristics Estimates, March 31, 1998

3. POPULATION BY ETHNICITY

The ethnicity of Carlsbad has remained roughly the same since the last Housing Element Update in 1990. As shown in Table 8 - "Population Trends by Ethnicity - 1988-1998", below, the City is predominantly non-Hispanic white, with about 16 percent of the population being of Hispanic origin. The Hispanic and White populations grew in similar proportion, while the Black population grew substantially and the Asian and other ethnic groups slightly dropped.

TABLE 8 – POPULATION TRENDS BY ETHNICITY 1988 - 1998

Ethnicity	1988		1998		Change	
	Total	% of total	Total	% of total	Total	%
Hispanic	9,137	15%	11,848	16%	2,711	+30%
White	45,954	78%	58,099	79%	12,145	+26%
Black	370	1%	866	1%	496	+134%
Asian/Other	3,384	6%	2,875	4%	-509	-15%
TOTAL	58,845	100%	73,688	100%	14,843	+25%

Source: 1990 Census; SANDAG Population and Housing Estimates, January 1, 1997

The percentage of change of the Hispanic and White ethnic groups mirrored the percentage of growth in Carlsbad population as a whole. In 1988, the total population of Carlsbad was approximately 58,850; by 1998, the population grew to approximately 73,688. This represents roughly a 25 percent increase in population, similar to the growth rate of Hispanic and White populations. The very large percentage of change for Blacks is a function of the relatively small total number and, despite this large percentage of change, their proportion of the total Carlsbad population remains approximately the same as in 1990.

4. EMPLOYMENT

The employment opportunities in Carlsbad are composed mainly of manufacturing, services and retail trade. These three industries constitute 72 percent of the total Carlsbad workforce. The manufacturing industry is mostly located in industrial developments at or near the geographic center of the City, surrounding the McClellan/Palomar airport. The retail trade employment centers are mostly located in the Plaza Camino Real regional mall and other commercial centers. The service industry employment areas are distributed throughout the City.

According to the 1990 Housing Element, employment in 1988 was similar in proportion to the current data, with manufacturing, services and retail trade comprising the majority of employment opportunities in the City. At that time, manufacturing made up just over 20 percent of the workforce, with the service industry equaling 26 percent and retail trade totaling 23 percent. Compared with the data shown in Table 9 - "Carlsbad Employment by Industry", below, the percentage of manufacturing jobs has increased by five percent and the retail trade employment base dropped by approximately three percent.

TABLE 9 – CARLSBAD EMPLOYMENT BY INDUSTRY		
<i>Industry</i>	<i>Number of Employees</i>	<i>Percent of Workforce</i>
Agriculture and Mining	983	2.7%
Construction	1,488	4.0%
Manufacturing	9,477	25.7%
Transportation, Communication and Utilities	1,035	2.8%
Wholesale Trade	1,917	5.2%
Retail Trade	7,346	19.9%
Finance, Insurance and Real Estate	2,556	6.9%
Services	9,985	27.2%
Government and Military	2,043	5.6%
Total Workforce	36,830	100%
Source: SANDAG 1990 and 1995 Employment Inventories		

Wage earnings in these employment sectors are important in determining the employment base's impact on housing need. As of January 1999, generation of wages below approximately \$19.50 per hour for a single wage earner in a family of four would qualify as low-income. Listed below are the median wages for selected San Diego County occupations. The wages listed are hourly rates for individuals with 3 years experience with their particular firm. The list is a cross section of technical, office, professional, and maintenance positions. The positions were chosen for their likelihood of existing within Carlsbad and are listed in alphabetical order.

TABLE 10 - MEDIAN HOURLY WAGES - SELECTED SAN DIEGO COUNTY OCCUPATIONS

Occupation	Median Hourly Wage
Administrative Assistant	\$14.00
Billing and Rate Clerk	\$12.00
Biotechnology/Laboratory Assistant	\$11.25
Child Care Worker	\$9.00
Dental Assistant	\$13.75
Electrical and Electronic Assembler	\$10.25
Food Preparation Worker	\$7.00
General Office Clerk	\$9.50
Graphic Artist	\$13.00
Hazardous Waste Materials Handlers	\$13.50
General Utility Maintenance Repairers (union)	\$13.50
Optical Technician	\$9.00
Personnel Clerk	\$8.50
Receptionist and Information Clerk	\$9.00
Retail Store Manager	\$12.00
Travel Agent	\$11.00
Veterinary Technicians	\$10.50
Welders and Cutters	\$12.00
Source: San Diego Economic Bulletin,	

As indicated in the above table, there are many professional, technical and office support positions that do not provide wages necessary to qualify as above moderate or even moderate-income. All of the positions above would qualify as lower-income, even for a family size of one.

B. HOUSEHOLDS

1. HOUSEHOLD COMPOSITION AND SIZE

Along with the characteristics of the population, the characteristics of the households are also vital to determining housing needs. For example, characteristics such as number of persons per household and total household income are important to assess the demand for larger and more affordable housing units. A household is defined as all of the individuals occupying a dwelling unit, whether they are related or not.

As of 1990, the total number of households in Carlsbad was 24,988 with an average of 2.5 persons per household. According to the SANDAG Population and Housing Estimates, dated January 1, 1998, the current number of households has grown to 28,338, with an average of 2.6 persons per household. This slight rise in the persons per household could be related to the relative increase in children and

teenagers, as shown in Table 7 above. The regional average persons- per-household was 2.7 in 1990 and is estimated at 2.8 in 1998.

Tables 11 - "Number of Households by Size - Carlsbad and Region - 1998" and 12 - "Trends in Households - Carlsbad and Region - 1990 - 2005", below, describe the household size by persons per household and the trends in the number of households. Compared to the regional average, Carlsbad has noticeably more two-person households and fewer five- and six- or more person households.

TABLE 11 - NUMBER OF HOUSEHOLDS BY SIZE - CARLSBAD & REGION - 1998						
	Persons per Household					
	One	Two	Three	Four	Five	Six +
Carlsbad	6,517 (23.0%)	11,335 (40.0%)	4,647 (16.4%)	3,571 (12.6%)	1,531 (5.4%)	737 (2.6%)
Region	202,273 (22.8%)	298,317 (33.6%)	150,884 (17.0%)	125,867 (14.2%)	62,948 (7.1%)	47,430 (5.3%)
Source: 1990 Census; SANDAG Population and Housing Estimates, January 1, 1998						

TABLE 12 - TRENDS IN HOUSEHOLDS - CARLSBAD & REGION - 1990 TO 2005				
	1990	1998	2005	% Change 1998-2005
Carlsbad	24,988	28,338	35,349	24.7%
Region	887,719	951,818	1,088,688	14.4%
Source: SANDAG 2020 Cities/County Forecast				

2. OVERCROWDING

An overcrowded dwelling unit, that is, a dwelling unit with more than one person per room, is undesirable for several reasons. Overcrowding produces stress on the occupant of an overcrowded dwelling unit, reducing the viability of the housing opportunity. Overcrowding a structure also diminishes the overall life of the building through increased wear. The City of Carlsbad has relatively few overcrowded dwelling units, which is indicative of an affluent community with a predominance of owner-occupied units. Table 13 - "Overcrowded Dwelling Units - Carlsbad and Region - 1998", below, compares the overcrowded housing units in Carlsbad with the regional total.

TABLE 13 – OVERCROWDED DWELLING UNITS - CARLSBAD & REGION - 1998

	Occupied Units	Number Overcrowded	Percentage Overcrowded	Number Not Overcrowded
Carlsbad	28,338	1,049	3.7%	27,289
Region	914,697	80,587	8.8%	834,110

Source: 1990 Census data

3. INCOME

As mentioned above, the City of Carlsbad is relatively affluent when compared to the San Diego Region. As shown in Table 14 - "Household Income - Carlsbad and Region - 1998" below, the household income for households in Carlsbad is skewed towards the higher range when compared to the regional totals. The median household income for Carlsbad lies in the lower end of the \$50,000 - \$74,999 range, whereas the regional median household income lies in the \$35,000 - \$49,999 range.

TABLE 14 - HOUSEHOLD INCOME - CARLSBAD & REGION - 1998

	< \$10,000	\$10,000 - 14,999	\$15,000 - 24,999	\$25,000 - 34,999	\$35,000 - 49,999	\$50,000 - 74,999	\$75,000 - 99,999	> \$99,999
Carlsbad	1,303 (4.6%)	1,077 (3.8%)	2,777 (9.8%)	3,032 (10.7%)	5,327 (18.8%)	7,028 (24.8%)	3,798 (13.4%)	3,996 (14.1%)
Region	71,377 (7.6%)	56,052 (5.9%)	131,750 (14.0%)	135,936 (14.4%)	178,804 (18.9%)	192,938 (20.5%)	87,987 (9.3%)	89,060 (9.4%)

Source: SANDAG Population and Housing Estimates, January 1, 1998

4. SPECIAL NEEDS

There are particular segments of the population that, because of special needs or circumstances, have more difficulty finding affordable and decent housing opportunities. These segments include the elderly, persons with disabilities, large households, female-headed households, homeless, farm workers, military and students. Many of these groups are in the lower-income range. Where possible, these groups have been quantified. In some cases, where differing methodologies have been used to estimate these population groups, figures may vary.

a. ELDERLY

The number of elderly householders (i.e., householders age 65 and older) in Carlsbad in 1990 was 5,255, or 21 percent of the total number of householders. According to the Preliminary 2020 Regionwide Forecast, prepared by SANDAG in October 1997, the elderly population in the San Diego Region should increase by approximately 18 percent by the year 2000. This growth rate calculates to a total number of elderly householders in Carlsbad of approximately 6,200.

Many elderly suffer from physical debilitations. Therefore, elderly often require housing equipped with special amenities suited to diminished physical activities, medical

alert needs, and safety. The City has experienced a development boom in senior housing during the last housing cycle in response to Carlsbad's popularity as a retirement community. The new Brighton Gardens (160 beds) and the newly refurbished Carlsbad-by-the-Sea (193 beds) provide assisted living, nursing and special care. In addition to these accommodations, the Carlsbad Senior Center operates a roommate solicitation board for posting of senior housing vacancies and has a current list of all senior apartment complexes and mobile home parks in the area.

The income characteristics of the elderly are, on the average, in the lower economic ranges. Many of the elderly are on fixed incomes from Social Security benefits and/or pensions. Since the elderly population is increasing in Carlsbad, additional housing units, mostly affordable to lower incomes, will be needed to accommodate need.

b. PERSONS WITH DISABILITIES

Detailed statistics on the amount and types of disabilities occurring in the Carlsbad population are not generally available. While the U.S. Census tabulates disability status of the population, the data does not separate persons with physical disabilities, which may require modified housing, from other disabilities (such as mental illness, etc.). According to the 1990 Census, detailed below, there were 114,519 working age individuals in the San Diego Region's population in 1990. Working age is defined as ages 16 to 64.

TABLE 15 - WORK DISABILITY STATUS BY AGE - SAN DIEGO REGION				
Status	Number of Age 16 - 64	Percentage of Age 16-64	Number of Age > 64	Percentage of Age > 64
In Labor Force:				
<i>Employed</i>	42,213	3%	3,891	1%
<i>Unemployed</i>	6,850	<1%	437	<1%
Not in Labor Force:				
<i>Prevented from working</i>	53,909	3%	63,913	24%
<i>Not prevented from working</i>	11,547	1%	10,257	4%
No Work Disability	1,436,471	93%	183,201	70%
Source: 1990 Census				

While the City does not have a significant amount of persons with disabilities, this Housing Element update is adding a program to specifically address disabled access. The program ties all new multifamily residential construction to the State Accessibility requirements as contained in Title 24 of the State Building Code. Since most of the persons with disabilities are elderly, many of them are served through their respective assisted care provider. Adding the above-referenced program, however, will strengthen the provision of disabled access for other age groups.

c. LARGE HOUSEHOLDS

A household that serves as a primary residence for five or more persons is considered as a large household. Large households influence many community issues,

most notably housing and public facilities. Large households are typified by large numbers of children or teenagers, which can stretch resources at schools and parks. Large households usually must pay a larger proportion of their monthly income than smaller households in order to live in a larger unit. As shown in Table 11 - "Number of Households by Size - Carlsbad and Region - 1998" above, the number of large households in Carlsbad was 2,268, representing eight (8) percent of the total households.

d. SINGLE-PARENT HOUSEHOLDS

As with larger households, single-parent households also tend to pay a larger proportion of their monthly income for housing, thereby deserving special consideration. They also earn special consideration because single-parent households tend to have lower incomes and still must pay for other services, such as daycare, health care and related facilities. Table 16 - "Single-parent Households - Number and Percentage of Total Households - Carlsbad & Region - 1998" below shows the number of single-parent households and the proportion of those that are living below the poverty level. In 1998, the 1,841 single-parent households represented 6.7 percent of the total number of households in Carlsbad. 73 percent of those single-parent householders were female (1,346) and over 21 percent of those lived under the poverty level (302). These proportions are below the regional average.

TABLE 16 - SINGLE-PARENT HOUSEHOLDS - NUMBER AND PERCENTAGE OF TOTAL HOUSEHOLDS - CARLSBAD & REGION - 1998						
	Single parent households		Female householder with children		Female householder with children below poverty	
	Total	%	Total	%	Total	%
Carlsbad	1,898	6.7%	1,388	4.9%	311	1.1%
Region	88,519	9.3%	68,531	7.2%	21,892	2.3%
Source: Extrapolation of 1990 Census data						

e. HOMELESS

Homelessness is defined by the U.S. Department of Housing and Urban Development as an individual or family who lacks a fixed, regular, and adequate nighttime residence and who has a primary nighttime residence that is:

- ♦ A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); or
- ♦ An institution that provides a temporary residence for individuals intended to be institutionalized; or
- ♦ A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

There are currently at least 15,000 homeless individuals in San Diego Region, according to the "Annual Update on Homelessness throughout San Diego County and

its 18 Cities" by the Regional Task Force on the Homeless, dated May 1998. These homeless individuals can be urban homeless or farm workers and day laborers. While the former group typically inhabits the urban landscape, the latter spend their nights in the undeveloped natural areas near the sources of labor.

According to the Regional Task Force's 1998 annual update, Carlsbad is home to an estimated 25 urban homeless and 700 rural farm workers and day laborers. This estimates in previous years ranged from 500 to 1,000 and the Task Force believes the population of homeless in Carlsbad has decreased in recent years.

Of those approximately 725 homeless individuals, 611 received aide. Listed below are the various assistance shelters and programs available in Carlsbad and the surrounding areas, according to the City of Carlsbad Housing and Redevelopment Division.

TABLE 17 - NORTH COUNTY EMERGENCY SHELTERS					
Name	Agency	Target Population	Special Needs	Location	# of Beds
Good Samaritan Shelter	Brother Benno's Foundation	Adult men	Employment-related	Oceanside	30
House of Martha and Mary	Brother Benno's Foundation	Women, women with children	Homeless	Oceanside	6
Libre!	Community Resource Center	Women, women with children	Domestic violence	Encinitas	11
North County Detox	M.I.T.E.	Adults	Substance abuse	Oceanside	-
Turning Point Crisis Center	Community Research Fund	Adults	Severely mentally ill	Oceanside	-
Women's Resource Center	Women's Resource Center	Women, women with children	Domestic violence	Oceanside	26

TABLE 18 - NORTH COUNTY TRANSITIONAL SHELTERS

Name	Agency	Target Population	Special Needs	Location	Beds/Apts
Brother Benno's Recovery	Brother Benno's Foundation	Adult men	Homeless	Oceanside	-
Casa Raphael	Alpha Project for the Homeless	Adult men	Homeless	Vista	-
Centro	Community Housing of N.C.	Families	Homeless	Vista	-
Family Recovery Center	E.Y.E.	Women with children	Substance abuse	Oceanside	90
Hogar II	Community Housing of N.C.	Families	Farm and/or day laborers	Carlsbad/Oceanside/Vista	-
House of James and John	Brother Benno's Foundation	Adult men	Homeless	Oceanside	-
La Posada de Guadalupe	Catholic Charities	Adult men	Homeless	Carlsbad	50
Oz North Coast	Y.M.C.A.	Homeless youth	Homeless	Oceanside	-
Transition House	Women's Resource Center	Families	Homeless	Oceanside	17
Transitional House	E.Y.E.	Families	Homeless	Oceanside	25
Transitional Housing Program	Community Resource Center	Families	Homeless	Encinitas	12
Tremont Street	Community Housing of N.C.	Homeless	HIV/AIDS needs	Oceanside	-

TABLE 19 - NORTH COUNTY DAY SHELTERS

Name	Agency	Target Population	Special Needs	Location
Brother Benno's Center	Brother Benno's Foundation	General	Homeless	Oceanside
N.C. Regional Recovery Center	M.I.T.E.	General	SMI and substance abuse	Oceanside
N.C. Safe Havens Project	Episcopal Comm. Services	Adults	SMI and subs. abuse	Oceanside
Options - Day Treatment	E.Y.E.	Families	Substance abuse	Oceanside

TABLE 20 - NORTH COUNTY CASE MANAGEMENT SERVICES

Name	Agency	Target Population	Special Needs	Location
Case Management Agency	North Coastal Service Center	General	Homeless	Oceanside
Infoline	United Way	General	Homeless	North County
Lifeline	Lifeline Community Services	General	Homeless	Vista
Oceanside Family Services	Salvation Army	General	Homeless	Oceanside
Social Services	Community Resource Center	General	Homeless	Carlsbad/ Encinitas

The City provides financial assistance to a number of these shelters and programs, namely the Community Resource Center, Brother Benno's Foundation, Women's Resource Center, Casa de Amparo, Catholic Charities and Fraternity House. The City has also provided, and will continue to provide, assistance to homeless shelter providers in the areas of site location, site acquisition and permit processing. In addition to the programs, the City participates in the sub-regional hotel voucher program as well as taking part in sub-regional and regional planning efforts to address homelessness.

f. FARM WORKERS

Carlsbad and its immediate neighbors to the north and south are home to approximately 4,270 agricultural workers, who represent over 38 percent of the total regional agricultural workforce. Many of these workers are transitory, moving up and down the state with the various planting and harvesting cycles. According to the Regional Task Force on the Homeless, Carlsbad is home to an estimated 700 homeless farm workers.

Many of the immigrant workers support families in their native countries with wages earned for day labor in this country. Unfortunately, according to a survey reported at a October 29, 1998 Joint Workshop between the SANDAG Housing Element Advisory Committee and the Regional Task Force on the Homeless, most of these laborers voluntarily send home too much money to afford adequate housing at or near their place of work. This aspect of homelessness is difficult to address, since it requires educating the general public as to the minimum level of housing needed by all members of society in order to maintain public health, safety, and welfare.

Another issue facing farm worker housing is the relatively short-term future of agricultural activities in Carlsbad. Most of the agriculture in Carlsbad is designated for urban development in the City's General Plan. Even agricultural areas in the Coastal Zone can be developed, rather than preserved, through the payment of an impact fee.

The future of agriculture in Carlsbad faces serious challenges. According to a study conducted by the City of Carlsbad Planning Department, entitled "Agriculture in Carlsbad - Today and Implications for the Future" and dated March, 1992, a number a

factors are decreasing the economic viability of local agriculture. The factors include conflicts between farm and parcel sizes, water availability and cost, encroaching urbanization, increased labor costs, heightened regulatory environment, and competition from outside the local area. Due to these factors, it is anticipated that virtually all of the agricultural land within Carlsbad will be developed with other uses within the next 10 to 15 years. Consequently, agriculture is considered an interim use.

This relatively short life for agriculture increases the difficulty in amortizing the financing required for farm worker housing. In order to encourage development of farm worker housing, the financing package must be desirable. One of the common methods for financing an affordable housing project is to amortize the cost over a long period of time, such as 30 years. This amortization is not as available for farm worker housing in Carlsbad.

g. MILITARY

Carlsbad's proximity to the U.S. Marine Corps Camp Pendleton creates a need for housing of military personnel within the City. This demand has two components: active military personnel seeking housing near the base, and retired military remaining near the base after serving. The pay scales for most enlisted military individuals are in the lower-income range, therefore the provision of affordable housing helps meet the military need. While Carlsbad does not contain any official military housing, USMC Camp Pendleton identifies the City as one of the surrounding communities within a five-mile radius of the base that should provide private affordable housing opportunities for all military ranks. According to the Department of Defense, Demographic Research Unit, the on-base household population on Camp Pendleton is 21,342. With a vacancy rate of only eight (8.0) percent, the average persons per household is 3.79.

h. STUDENTS

Students are another special housing need group, because their wages and housing opportunities usually fall in the lower-income range. This need is most pronounced near colleges and universities. Within approximately one mile of the City boundary are three such establishments: California State University at San Marcos, Palomar College and MiraCosta College. According to the 1990 Census, Carlsbad was home to 5,318 college-age students, which represented 8.4 percent of the City population. Regionwide, approximately 10 percent of residents were enrolled in college in 1990.

C. EXISTING HOUSING STOCK

1. HOUSING UNIT TYPE

The type of housing units available for habitation is an important indicator of housing supply in that certain income groups are more likely to find housing in certain housing unit types. For example, on the average, single family housing costs more than multifamily housing.

TABLE 21 - TYPE OF HOUSING UNITS - CARLSBAD - 1990 - 1998						
	Single-family		Multifamily		Mobile	Totals
	Attached	Detached	2 - 4 units	5+ units	Homes	
1990	2,112	12,436	2,579	6,913	948	24,988
1998	2,189	14,883	2,900	7,418	948	28,338
Change	+3.6%	+19.7%	+12.4%	+7.3%	0%	+13.6%

As shown in the above table, the highest growing proportion of housing in Carlsbad was the single-family detached category. Next highest were the small multifamily developments containing two to four units. There were no new mobile homes constructed in the 1990-1999 housing cycle.

2. TENURE

The tenure of a structure, or whether the unit is owner-occupied or a rental unit, is important to fully evaluating the housing need. Low amounts of rental stock can push housing costs higher, lessening the lower-income and moderate-income housing opportunities. The trends in tenure are shown below, with a comparison of the proportions of rental housing in Carlsbad and the San Diego Region for 1990.

TABLE 22 - HOUSING TENURE TRENDS - CARLSBAD AND REGION - 1980 - 1998			
	Owner	Renter	Total
Carlsbad (1980)	8,680 (63.9%)	4,915 (36.1%)	13,595 (100%)
Carlsbad (1990)	15,543 (62.2%)	9,445 (37.8%)	24,988 (100%)
Carlsbad (1998)	17,626 (62.2%)	10,712 (37.8%)	28,338 (100%)
Region (1990)	477,579 (53.8%)	409,824 (46.2%)	887,403 (100%)
Sources: 1980 Census; 1990 Census; Extrapolation of 1990 Census data			

There have been recent efforts in the building industry to alleviate obstacles to providing rental properties, which has been evidenced in several new local apartment proposals in 1998.

It is also helpful to analyze the tenure of persons with special needs. These data can assist in more accurately determining the housing needs of the entire community. Tables 23 through 26 below describe the percentages of ownership and rental for the elderly, large households, overcrowded households, and households overpaying for housing for Carlsbad and the San Diego region.

TABLE 23 - TENURE OF ELDERLY HOUSEHOLDS - CARLSBAD & REGION - 1998			
	Number of Households	Owner-occupied	Rental
Carlsbad	5,134	3,956 (77.1%)	1,178 (22.9%)
Region	951,818	697,682 (73.3%)	253,183 (26.6%)
Source: SANDAG Regional Housing Needs Statement			

TABLE 24 - TENURE OF LARGE HOUSEHOLDS - CARLSBAD & REGION - 1998			
	Number of Households	Owner-occupied	Rental
Carlsbad	2,268	1,354 (59.7%)	912 (40.2%)
Region	951,818	259,846 (27.3%)	691,019 (72.6%)
Source: SANDAG Regional Housing Needs Statement			

TABLE 25 - TENURE OF OVERCROWDED HOUSEHOLDS - CARLSBAD & REGION - 1998			
	Number of Households	Owner-occupied	Rental
Carlsbad	1,049	190 (18.1%)	859 (81.9%)
Region	951,818	259,846 (27.3%)	691,019 (72.6%)
Source: SANDAG Regional Housing Needs Statement			

TABLE 26 - TENURE OF OVERPAYING HOUSEHOLDS - CARLSBAD & REGION - 1998			
	Number of Households	Owner-occupied	Rental
Carlsbad	Data not available	Data not available	Data not available
Region	951,818	Data not available	Data not available
Source: SANDAG Regional Housing Needs Statement			

As shown in Table 23 - "Tenure of Elderly Households - Carlsbad & Region - 1998", the percentages of owner-occupied and rental households in Carlsbad are similar to those in the region. The proportions, however, indicate a need for additional rental housing for the elderly. Table 24 - "Tenure of Large Households - Carlsbad & Region - 1998" indicates that large households, those households with five or more persons, are balanced between rental and ownership. With regard to the tenure of overcrowded households, as shown in Table 25 - "Tenure of Overcrowded Households - Carlsbad & Region - 1998", the large majority of overcrowded households in both Carlsbad and the region are rental units. When a household must pay more than 30 percent of their total household income for housing costs, they are considered an overpaying household. The State Department of Housing Community Development requested a table indicating the proportion of rental and owner-occupied households that overpay for housing, however this data has not been provided by the State. Table 26 - "Tenure of Overpaying

Households - Carlsbad & Region - 1998" is included and will be completed upon receipt of the data.

3. VACANCY

Vacancy rates are an important housing indicator. If rates are too low, this is an indication of short housing supply and, potentially, increasing housing costs. If vacancy rates are too high, then supply is overreaching demand and individual property owners may be negatively impacted when trying to sell or rent. Healthy vacancy rates are seen as two to three percent for single-family and five to six percent for multifamily housing. The local trends in vacancy rates, along with a 1990 comparison between Carlsbad and the San Diego Region, are contained below.

TABLE 27 - VACANCY RATE TRENDS - CARLSBAD AND REGION - 1990 - 1998			
	Total Units	Total Vacant Units	Percent Vacant
Carlsbad (1990)	24,988	2,049	8.2%
Region (1990)	946,240	58,837	6.2%
Carlsbad (1998)	28,707	369	1.3%
Region (1998)	951,818	37,121	3.9%
Sources: 1990 Census; San Diego County Apartment Association, "Spring 1998 Vacancy Survey"			

4. AGE AND CONDITION

The age of a dwelling is important to the evaluation of adequate supply for several reasons. The U.S. Department of Housing and Urban Development may consider a unit to be substandard if it was constructed prior to 1940 and has an value of less than \$35,000. Also, the availability of state and federal funding for housing is partly tied to the age of housing. Table 28 - "Year Housing Built - Carlsbad & Region - 1998" below show the years in which the existing housing stock in Carlsbad and the San Diego Region was constructed, both in total number and percentage of total. Some notable statistics are the low number of housing units built before 1950 (only 2.8% of housing stock) and the predominance of housing built in the 1980's (44.9% of the housing stock). The large addition of housing units in the 1970's is also a reflection of the annexation of developing County lands, such as La Costa. The older units within the City are typically more affordable, therefore preservation of these units assists in the provision of housing for lower-income households.

TABLE 28 - YEAR HOUSING BUILT - CARLSBAD & REGION - 1998

	<1939	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1997
Carlsbad	340 (1.2%)	453 (1.6%)	1,417 (5.0%)	2,550 (9.0%)	8,303 (29.3%)	12,725 (44.9%)	2,550 (9.0%)
Region	52,271 (5.2%)	56,388 (5.6%)	135,063 (13.4%)	156,354 (15.5%)	266,889 (26.5%)	279,275 (27.8%)	60,503 (6.0%)

Sources: 1990 Census; SANDAG Population and Housing Estimates, January 1, 1997

5. COST OF HOUSING

The cost of housing seemingly follows cycles approximately five-year long. According to the "SANDAG Evaluating Economic Prosperity in the San Diego Region, 1998 Update", the regional median housing cost between 1980 and 1985 decreased by approximately 17 percent. The housing market then rebounded, with an almost 40 percent rise in the median housing cost between 1985 and 1990. During the recession in the early 1990's, the cost of both ownership and rental housing steadily dropped, decreasing by over 22 percent by 1995. The late 1990's has seen an increase in housing costs, with a dramatic increase in 1998. Based upon the San Diego Union Tribune Home Resales website, the median cost of a resale home in Carlsbad was \$240,000 in 1997. Based upon sales figures in July 1999, the median cost of the 117 single-family homes sold in Carlsbad rose to \$324,000. The condominium market has experienced similar fluctuations and recent growth, with the median cost reaching over \$155,000 in 1998.

While these numbers may seem high on a nation-wide or even state-wide comparison, the San Diego region is one of most expensive areas in the nation to live. Table - "Housing Costs Indexes - Selected Metro Areas" shows the housing costs for San Diego and similar metropolitan areas, as defined by size, population growth rate, proximity to San Diego, location, military presence, high-tech employment, hotel/motel employment, and migration. The housing cost index is calculated based upon the United State Average of 100. Metropolitan areas are then indexed relative to the following national average figures: annual mortgage payment = \$12,601; annual utilities payment = \$4,262; and average property tax payment = \$1,510. The total annual housing costs equals the sum of these three annual payments.

TABLE 29 - HOUSING COST INDEXES - SELECTED METRO AREAS

Metro Area	Mortgage	Utilities	Property Tax	Total Costs	Rank
San Jose, CA	263	103	145	511	1
Orange County, CA	222	92	115	429	2
San Diego, CA	187	119	116	422	3
Seattle, WA	180	74	140	394	4
Miami, FL	127	80	163	370	5
Portland, OR	157	79	124	360	6
Ft. Lauderdale, FL	117	80	144	341	7

TABLE 29 - HOUSING COST INDEXES - SELECTED METRO AREAS

Metro Area	Mortgage	Utilities	Property Tax	Total Costs	Rank
Dallas, TX	100	86	140	326	8

Source: SANDAG Evaluating Economic Prosperity in the San Diego Region, 1998 Update

When these housing costs are compared to the annual incomes, the San Diego region requires one of the highest percentages of annual income to pay for housing. According to the U.S. Housing Markets, Special Report, dated September 1997, San Diego homeowners, on the average, paid 24.9 percent of their 1996 income for housing. When compared to 31 similar cities, this percentage ranked as the 26th highest proportion of income needed for housing.

With regard to rental housing, the local situation is comparable. According to surveys conducted by the San Diego Apartment Association, Carlsbad possessed some of the most expensive average monthly rents in the San Diego region. When these rents are adjusted based upon the square footage of the units, Carlsbad's position drops towards the regional average. One statistic worth noting is that the rent per square foot for 3 bedrooms units in Carlsbad is far above the regional average and is actually one of the highest in the region. Since large-family households are one of the groups identified with special housing needs, this statistic indicates the need for more affordable three-bedroom rental units. Table 30 - "Average Rents per Square Foot - San Diego Region" below, shows the average monthly rents and average rents per square foot for the some of the most expensive areas in San Diego, as well as the regional average.

TABLE 30 - AVERAGE RENTS PER SQUARE FOOT - SAN DIEGO REGION

Community	Number of bedrooms	Spring 1998 Average Rent	Average Rent per Square Foot
Carlsbad	Studio	\$480	\$1.07
	1 bedroom	\$618	\$0.98
	2 bedroom	\$781	\$0.90
	3 bedroom	\$2,500	\$1.02
Central San Diego	Studio	\$424	\$1.26
	1 bedroom	\$561	\$0.91
	2 bedroom	\$774	\$0.90
	3 bedroom	\$1,235	\$0.93
Coronado	Studio	\$595	\$1.49
	1 bedroom	\$826	\$1.19
	2 bedroom	\$779	\$1.28
	3 bedroom	\$1,300	\$1.25

Pacific Beach	Studio	\$521	\$1.36
	1 bedroom	\$633	\$1.01
	2 bedroom	\$863	\$0.98
	3 bedroom	\$1,214	\$0.96
Sorrento Valley	Studio	\$630	\$1.31
	1 bedroom	\$615	\$1.04
	2 bedroom	\$732	\$0.79
	3 bedroom	\$1,550	\$1.22
University City	Studio	\$755	\$1.80
	1 bedroom	\$1,033	\$1.25
	2 bedroom	\$1,247	\$1.12
	3 bedroom	\$1,593	\$1.24
Western Rancho Bernardo	1 bedroom	\$796	\$1.12
	2 bedroom	\$956	\$0.98
	3 bedroom	\$1,265	\$1.02
City of San Diego	Studio	\$445	\$1.14
	1 bedroom	\$534	\$0.89
	2 bedroom	\$706	\$0.81
	3 bedroom	\$950	\$0.77
San Diego County Overall	Studio	\$448	\$1.09
	1 bedroom	\$543	\$0.86
	2 bedroom	\$685	\$0.77
	3 bedroom	\$916	\$0.74
Source: San Diego Apartment Association 1998 Average Rental Rates by City/Area of San Diego			

6. AT-RISK UNITS

Part of the evaluation of existing affordable housing stock involves the assessment of the long-term viability of such housing stock. Some developments that are made available to lower-income households are funded by grants or loans for a limited period of time. If this funding is not renewed, the affordability of the development to lower-income households could be in jeopardy. These units are referred to as "at-risk" units. Section 65583(a)(8) of the California Government Code requires jurisdictions to identify all "at-risk" units that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

There are two residential projects within Carlsbad that qualify as "at-risk" units, namely the Seascape Apartments and the Santa Fe trails Apartments (A.K.A. Park La Costa). Both of these projects were financed with tax-exempt bonds issued by the City in 1985. Should the owner(s) choose to pay-off these bonds prior to their maturity date in 2029, the affordability restrictions would be lifted. In no case, however, can the restrictions be lifted prior to 2008.

7. COASTAL ZONE HOUSING

All jurisdictions that contain residential areas within the Coastal Zone are required to assess the demolition and replacement of housing units within the Coastal Zone as well as the construction of affordable units within three miles of the Coastal Zone. This requirement actually stems from the goals of the California Coastal Act of 1976, and is codified in Government Code Section 65588(d). According to Section 65590(b) of the Government Code, coastal zone demolitions that meet the certain criteria are not required to be replaced. One of these criteria is the demolition of a residential structure containing less than three dwelling units or the demolition of multiple residential structures containing 10 or fewer total dwelling units. All of the 16 demolitions in Carlsbad's Coastal Zone during the 1990 to 1998 period were single family dwellings, therefore they require no replacement.

Despite the lack of requirements for replacement of Coastal Zone affordable units, the City's Inclusionary Housing program has caused many affordable units to be constructed in the Coastal Zone or within three miles of the Coastal Zone. Some of the new units constructed in the Coastal Zone may qualify as affordable to lower-income households due to rental rates or sales prices. However, because they do not possess any tenant/owner earnings qualifications program or any rental/ownership price restrictions, these affordable units are not recognized. Detailed below is a tabulation of the housing unit constructions and demolitions in the Coastal Zone from January 1990 to December 1998. Of the 2,338 housing units added to the Coastal Zone, 344 (or 14 percent) were affordable to lower-income households.

TABLE 31 – COASTAL ZONE DEVELOPMENT 1991 - 1998						
Single-family		Multifamily		Mobile Homes	Demolitions	Affordable Units
attached	detached	2-4 units	5+ units			
1,775	59	160	544	0	16	344
Abbreviations: SFD = Single-family detached; SFA = Single-family attached; MF = Multifamily						
Source: City of Carlsbad PERMITS Plus System, 1998						

D. FUTURE HOUSING STOCK

In addition to the existing housing stock described above, there are large areas of vacant or underdeveloped residentially designated land within the City. There are also non-residentially designated areas that could support some form of housing. These areas, taken together, allow some estimation of the future potential housing stock in the City.

1. VACANT RESIDENTIAL LAND

Besides the existing housing supply, another source of housing is the future housing potential expressed in vacant, residentially-designated land within the City. There are certain areas that the City considers undevelopable and, therefore, are not counted towards residential density calculations. These undevelopable lands are listed in Section 21.53.230 of the Carlsbad Municipal Code, and include: beaches, permanent bodies of water, floodways, natural slopes with inclinations over 40 percent, significant wetlands, significant riparian or woodland habitats, major power transmission line easements, railroad track beds and lands which contain other significant environmental features as determined by project-related environmental review. Natural slopes with an inclination between 25 and 40 percent are granted only half credit when calculating developable acreage for residential density.

As part of the City's Growth Management Plan, the total amount of developable residentially-designated property was calculated for the entire City. The current total is 5,435 acres. The breakdown of this total acreage by General Plan land use designation is shown in Table 32 – "Total Vacant Residential Lands by General Plan Designation - 1998" below. The Growth Control Point for each density range is noted in parenthesis. For more information on the City's Growth Management Program and the Growth Control Point, please refer to Section II.A.1.c. All densities are expressed in dwelling units per developable acre.

TABLE 32 - TOTAL VACANT DEVELOPABLE RESIDENTIAL LANDS BY GENERAL PLAN DESIGNATION - 1998		
General Plan Designation	Allowed Density Range	Total Acreage
RL – Residential Low	0.0 - 1.5 du/ac (1.0 du/ac)	764
RLM – Residential Low Medium	0.0 - 4.0 du/ac (3.2 du/ac)	3,195
RM – Residential Medium	4.0 - 8.0 du/ac (6.0 du/ac)	1,252
RMH – Residential Medium High	8.0 - 15 du/ac (11.5 du/ac)	172
RH – Residential High	15 - 23 du/ac (19 du/ac)	52
Total Vacant Residential Acreage		5,435

Given the amount of developable vacant land and the land use designations of that land, the total number of potential dwelling units within the vacant lands of Carlsbad ranges from 19,066 to 24,694 dwelling units. As discussed further in following sections, this number can be augmented through development of underutilized areas, non-residential zones and implementation of Carlsbad's Density Bonus Ordinance.

2. UNDERUTILIZED AREAS

An underutilized residential area can be defined as an area that was developed with a lower residential density than could be accommodated with the existing public facilities, infrastructure, and allowable density maximums. Since Carlsbad has developed as a relatively affluent single-family community, there are many areas that have been developed at a lower density to accommodate the large units and lots demanded by the upper end of the housing market.

Long-term residency and continuation of older single-family dwellings as rental properties also contribute to the underutilization of residential property. The northern beach area and the Barrio area are prime examples of this predominance of single-family dwellings in multifamily zones. In these older areas of the City, there are many multifamily properties that are either owned by a family trust or by an absentee owner with no immediate development plans. These properties typically contain only one single-family dwelling, whereas their maximum yield could range from two to four dwellings.

3. NON-RESIDENTIAL ZONES

There are several non-residential zones within the City that allow for some form of housing development. These zones, namely the Neighborhood Commercial (C-1), General Commercial (C-2), Heavy Commercial Limited Industrial (C-M), Industrial (M) and Planned Industrial (P-M), all allow single-family housing through approval of a Conditional Use Permit. The most notable areas for future residential development potential lie in the C-1, C-2 and P-M zones. In addition to single-family development, all three of these zones allow for multifamily development in conjunction with commercial or industrial development in a mixed-use setting. Given the regionally popular concepts of transit-oriented development, these zones could represent a fair amount of additional residential dwelling units in the future.

4. SUMMARY OF RESIDENTIAL DEVELOPMENT POTENTIAL

Provided that the economy does not repeat the same decline experienced in the early 1990's, the City of Carlsbad should continue to experience growth in housing for all income groups over the next five year housing cycle. Some of the areas shown as vacant developable lands in Table 32 - "Vacant Developable Residential Lands by General Plan Designation - 1998" will not likely experience any residential growth, however. As described in Section II.A.1.c., below, the City of Carlsbad has a growth management program that requires all facility needs and potential financing mechanisms for those needs to be identified prior to development. There are currently three Local Facilities Management Zones (see Section II.A.1.c. and Map C) that have not completed this facility and financing analysis. Therefore, the vacant residentially designated land in these three areas must be subtracted from the total developable lands to assess the total land available for the 1999-2004 housing cycle.

The three areas without adopted facility and financing plans are referred to as Local Facilities Management Zones 10, 17 and 25. The breakdown of the total residential acreage in these three zones according to the current General Plan is contained in Table 33 - "Total Residential Acreage Without Approved Facility Plans - 1998".

TABLE 33 - TOTAL RESIDENTIAL ACREAGE IN ZONES WITHOUT APPROVED FACILITY PLANS - 1998

General Plan Designation	Total Vacant Acreage	Unit Yield at Growth Control Point	Unit Yield at General Plan Maximum
RL - Residential Low	88	88	132
RLM - Residential Low Medium	455	1,456	1,820
RM - Residential Medium	108	648	864
TOTALS	651 acres	2,192 units	2,816 units

As shown in Table 34 - "Total Residential Development Potential on Vacant Lands for the 1999-2004 Housing Cycle - 1998" below, there is more than ample vacant residential land remaining in the City to accommodate the City's regional share goal of 6,214 housing units for the 1999 - 2004 housing cycle and beyond, even after deducting those lands without facility provisions. In addition to these vacant residential lands, there are even more housing opportunities in underutilized areas and non-residential zones.

TABLE 34 - TOTAL RESIDENTIAL DEVELOPMENT POTENTIAL ON VACANT LANDS FOR THE 1999-2004 HOUSING CYCLE - 1998

General Plan Designation	Total Vacant Acreage	Unit Yield at Growth Control Point	Unit Yield at General Plan Maximum
RL - Residential Low	676	676	1,014
RLM - Residential Low Medium	2,740	8,768	10,960
RM - Residential Medium	1,144	6,864	9,152
RMH - Residential Medium High	172	1,978	2,580
RH - Residential High	52	780	988
TOTALS	4,784 acres	19,066 units	24,694 units

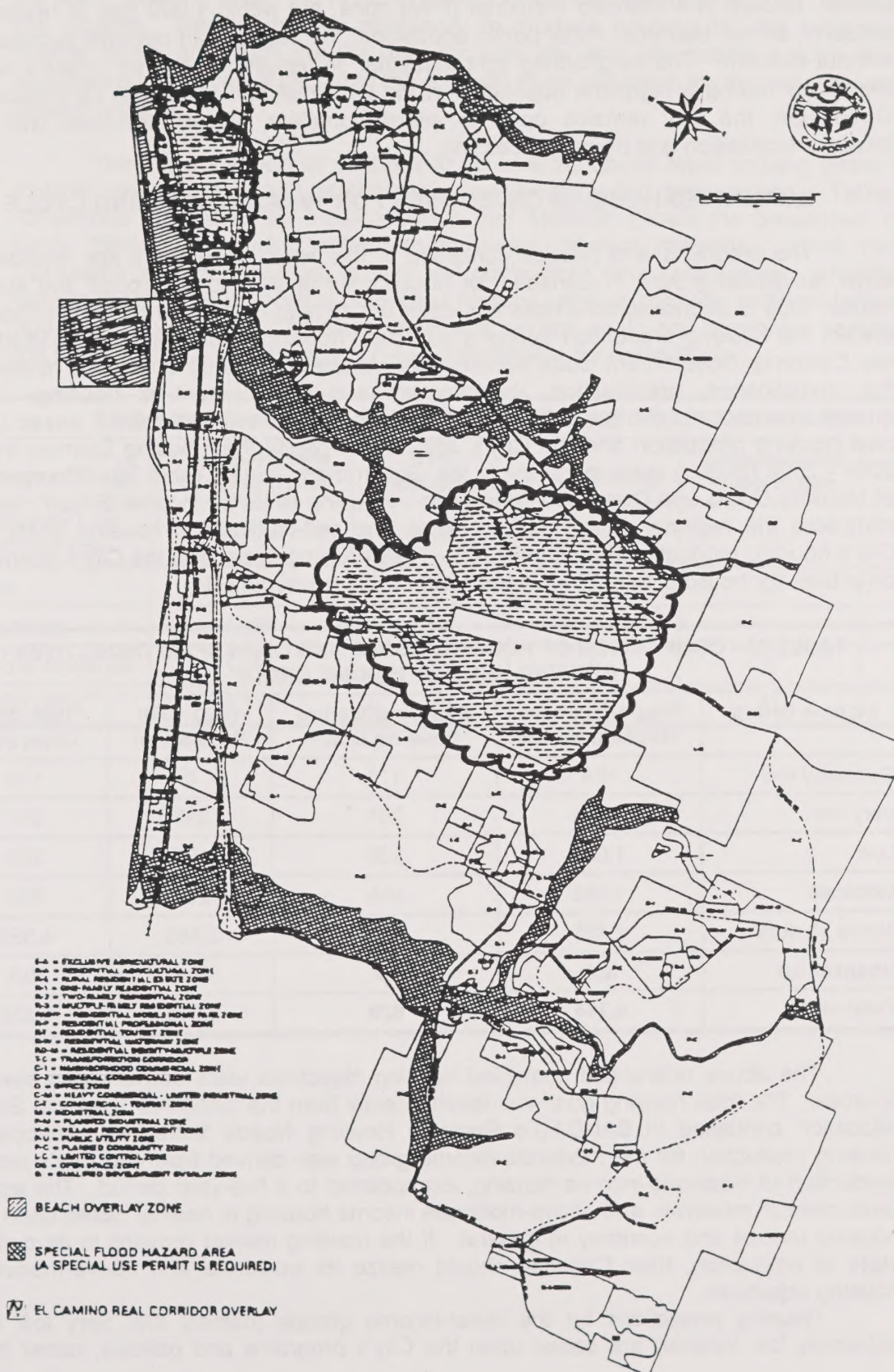
As described in the above needs analysis, the most pressing areas of anticipated need are seniors, lower-income households, farm workers and the homeless. It is likely that market-rate senior housing will continue to be provided in Carlsbad due the City's popularity as a retirement and convalescent community. These market-rate units, combined with the City's ongoing efforts to preserve affordable senior housing, should greatly assist in accommodating the anticipated senior housing needs. The success of the City's Inclusionary Housing Ordinance in providing a wide variety of affordable housing for both rental and ownership has, and will continue to help meet the housing needs of lower-income households and large families.

Since the vast majority of the City's homeless individuals live in the rural areas, the issues of farm worker housing and homeless in Carlsbad are inextricably tied. The City plans on continuing its four-tiered approach to the homeless during the next housing cycle. This approach involves: continued financial assistance to local shelters

and case management services; continued cooperation with providers in site location, acquisition and permitting (as with Catholic Charities and La Posada de Guadalupe); continued participation in the sub-regional programs (such as the hotel voucher program); and furthered discussions with neighboring jurisdictions about regional and/or sub-regional solutions to the shared homeless needs.

With regard to physically and administratively accommodating future homeless shelters, the City's existing zoning designations of Neighborhood Commercial (C-1), General Commercial (C-2) and Planned Industrial (P-M) all would allow homeless emergency and transitional shelters with approval of a Conditional Use Permit. As shown on Map A - "Potential Areas for Emergency and Transitional Housing", most of these zones are located near retail and transportation services and are adequately separated from residential areas to make them politically acceptable to the community.

Map A – POTENTIAL AREAS FOR EMERGENCY AND TRANSITIONAL SHELTERS



The City's experience with the La Posada de Guadalupe de Carlsbad transitional shelter, located in a Planned Industrial (P-M) zone, but within 1,000 feet of residential property, shows that after initial public opposition, the shelter can operate successfully without incident. The neighboring light industrial properties have even noted a safety benefit by having a nighttime population in the industrial park. As with La Posada de Guadalupe, the City remains open to assist homeless shelter providers with site location, acquisition and permit processing.

5. QUANTIFIED HOUSING OBJECTIVES FOR 1999-2004 HOUSING CYCLE

The programs and policies contained in this Housing Element are intended to allow residential growth in Carlsbad for households of all income groups and special needs. Due to economic conditions and other unforeseen circumstances, it is difficult to predict the housing production during a particular housing cycle. Section 65583(b) of the California Government Code nonetheless requires quantified objectives relative to the maintenance, preservation, improvement and development of housing. The quantified objectives for the 1999 - 2004 housing cycle were determined based upon past housing production and the City's goal to self-certify the Housing Element in the 2004 - 2009 housing cycle, pursuant to the Government Code. Table 35 - "Comparison of Housing Goals and Quantified Objectives - Housing Units by Income Group", below, compares the regional share housing goals, the self-certification housing goals, the City's housing production during the 1990 - 1999 housing cycle, and the City's quantified objectives for housing production in the 1999 - 2004 housing cycle.

Income Group	Regional Share Housing Needs	Self-Certification Housing Goals	1990-1999 Production	1999-2004 Objectives
Extremely low	N/A	170	0	170
Very low	1,304	201	247	210
Low	1,057	258	195	260
Moderate	1,430	N/A	297	630
Above Moderate	2,423	N/A	3,580	4,955
Unspecified	N/A	N/A	694	N/A
Total units	6,214	629	5,013	6,225

The above referenced quantified housing objectives were derived from several sources. The total housing goal was taken directly from the SANDAG Regional Share Allocation contained in SANDAG's Regional Housing Needs Statement. Anticipated housing production for the moderate-income group was derived from the City's recent production of moderate-income housing, extrapolated to a five-year period. The actual production of moderate and above-moderate income housing is heavily based upon the housing market and economy in general. If the housing market remains in its current state of production, then Carlsbad should realize its moderate and above-moderate housing objectives.

Housing projections for the lower-income groups (namely low, very low and extremely low income) are based upon the City's programs and policies, rather than

being strictly tied to the housing market. Since the City is pursuing self-certification in the fourth housing cycle, the housing goals include the new income group of extremely low income. Since subsidies necessary to produce housing for the extremely low income group are much greater than for very low and low-income groups, the total anticipated production is less than the regional share allocation for the very low and low-income groups.

There are a variety of methods to achieve the above listed housing goals; these include new construction, rehabilitation, conservation and preservation. Table 36 - "Quantified Objectives by Income Group and Method" shows the breakdown of the City's 1999-2004 housing objectives by these different methods. While most of Carlsbad's expected housing growth will come from new construction, rehabilitation, conservation and preservation of existing housing units can provide additional affordable housing opportunities. Therefore, there are several goals and objectives dealing with the identification and utilization of these units eligible for rehabilitation.

TABLE 36 – QUANTIFIED OBJECTIVES BY INCOME GROUP AND METHOD					
Income Group	Regional Share Housing Goals	New Construction	Rehabilitation	Conservation/ Preservation	Total Units
Extremely Low and Very Low	1,770	162	218	0	380
Low	1,417	218	0	42	260
Moderate	1,436	630	0	0	630
Above Moderate	1,591	4,955	0	0	4,955
Total units	6,214	5,965	218	42	6,225

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SECTION II

II. HOUSING CONSTRAINTS AND MITIGATING OPPORTUNITIES

Given that Carlsbad is a coastal city with an active citizenry, concerned with growth and quality development, there are numerous governmental and non-governmental constraints to the provision and preservation of housing opportunities, especially for moderate and lower income households. The coastal location imposes physical and regulatory constraints, as well as ensuring relatively high land costs. An active citizenry with concerns about quality development causes stringent development standards and more extensive public participation in permit processing. Detailed below are these constraints to the provision of housing, along with a discussion of potential mitigating opportunities to address these constraints.

A. GOVERNMENTAL CONSTRAINTS AND OPPORTUNITIES

The following potential and actual governmental constraints are imposed by local, state, or federal legislation and have impacts on the ability to maintain, improve and develop housing for all income levels, some most notably for moderate and lower income households. These constraints fall into nine categories: land use controls; open space and habitat preservation; construction codes; code enforcement programs; improvements, exactions and fees; CEQA; Article XXXIV; and City staffing levels. At the end of each constraint section is a discussion of the mitigating opportunities available through various programs and policies.

1. LAND USE CONTROL CONSTRAINTS

There are a variety of constraints to the provision of housing that are imposed, or potentially imposed, by the local land use controls. These controls include General Plan policies, zoning designations (and the resulting use restrictions, development standards, and permit processing requirements), overlay zones, development fees, and the local Growth Management Program.

a. General Plan Policies

The distribution of residential land use designations within the city, as shown in the General Plan Land Use Element, are based upon several geographical constraints. These constraints are: McClellan/Palomar Airport, San Diego Gas & Electric power plant, Encina wastewater treatment plant, regional commercial areas along Interstate 5 and Highway 78, the old downtown village area and its single family hinterland, open space preserves, state or federally-regulated open space, beaches, lagoons, and the city's overall mesa/canyon topography. The airport, power plant and wastewater treatment plant preclude residential development in close proximity due to potential public health, safety and welfare impacts. The natural constraints of open space preserves, beaches, lagoons, and hillside topography also limit the extent and density of residential uses.

The allowable density for a residentially designated property is determined by the General Plan land use designation. Listed below are the residential General Plan designations and their corresponding density ranges, expressed in dwelling units per

developable acre (or du/ac). As expounded in the following section, the Growth Control Point represents the residential density cap invoked by Carlsbad's Growth Management Program. Certain findings regarding the provision of adequate facilities and the density of neighboring developments must be made to exceed the Growth Control Point density cap.

TABLE 37 - GENERAL PLAN RESIDENTIAL DENSITY RANGES

Designation	Allowed Density	Growth Control Point
RL - Residential Low Density	0.0 - 1.5 du/ac	1.0 du/ac
RLM - Residential Low Medium Density	0.0 - 4.0 du/ac	3.2 du/ac
RM - Residential Medium Density	4.0 - 8.0 du/ac	6.0 du/ac
RMH - Residential Medium High Density	8.0 - 15.0 du/ac	11.5 du/ac
RH - Residential High Density	15.0 - 23.0 du/ac	19.0 du/ac

Other programs in the City's General Plan could have potentially constraining affects on the provision of housing for all income ranges. These policies include: the provision of roadways and other public facilities, mitigation of potentially harmful noise impacts, open space preservation, and the avoidance of areas subject to severe hazards. While these potential constraints are derived from General Plan policies, they have manifested themselves as zoning designations, ordinances and/or policy statements and are addressed in more detail below.

b. Zoning Designations and Areas of Special Interest

The type of residential zoning designation can also influence the potential constraints to providing housing opportunities. The underlying zoning designation controls both the use and the development standards. There are currently 13 different zones that allow residential development by right within Carlsbad. Another five zones conditionally allow residential development. Tables 38 - "Zones Allowing Residential Development by Right" and 39 - "Zones Conditionally Allowing Residential Uses", below, detail the allowed or conditional uses and development standards for each of these zones, as well as referencing the chapter of the Zoning Ordinance containing the applicable zoning regulations. A complete summary of development standards for all zones within Carlsbad is attached in Appendix E - Summary of Zoning Regulations.

TABLE 38 - ZONES ALLOWING RESIDENTIAL DEVELOPMENT BY RIGHT

Zone/Applicable Ordinance	Allowed Residential Uses	Minimum Lot Area	Lot Coverage	Building Height
E-A – Exclusive Agriculture (21.07)	Single-family units only if accessory to agriculture.	10 acres	40% maximum	30 – 35 feet max.
R-A – Residential Agriculture (21.08)	Single-family units and second dwelling units.	7,500 sq. ft.	40% maximum	30 – 35 feet max.
R-E - Rural Res. Estate (21.09)	Single-family units and second dwelling units.	1 acre	20% maximum	35 feet maximum
R-1 - One-family Residential (21.10)	Single-family units and second dwelling units.	7,500 sq. ft.	40% maximum	30 - 35 feet max.

TABLE 38 - ZONES ALLOWING RESIDENTIAL DEVELOPMENT BY RIGHT

Zone/Applicable Ordinance	Allowed Residential Uses	Minimum Lot Area	Lot Coverage	Building Height
R-2 - Two-family Residential (21.12)	Single-family units, two-family units, second dwelling units.	7,500 sq. ft.	40% maximum	30 - 35 feet max.
R-3 - Multiple-family Residential (21.16)	Single-family, two-family, and multifamily units; senior housing, second dwelling units.	7,500 sq. ft.	60% maximum	35 feet maximum
RD-M - Residential Density-Multiple (21.24)	Single-family, two-family, and multifamily units; senior housing, second dwelling units.	7,500 - 10,000 sq. ft.	50 - 60% maximum	35 feet maximum
R-W - Residential Waterway (21.22)	Single-family, two-family, and multifamily units; second dwelling units.	5,000 sq. ft.	75% maximum	35 feet maximum
R-T - Residential Tourist (21.20)	Single-family, two-family, and multifamily units; senior housing, second dwelling units.	7,500 sq. ft.	75% maximum	35 feet maximum
R-P Residential Professional (21.18)	Single-family, two-family, and multifamily units; senior housing, second dwelling units.	7,500 sq. ft.	60% maximum	35 feet maximum
RMHP - Res. Mobile Home Park (21.37)	Mobile homes if in a mobile home park.	5 - 15 acres	N/A	N/A
P-C Planned Community (21.38)	Single and multifamily units, senior housing, and second dwelling units only if part of master plan development.	N/A	N/A	30 - 35 feet maximum
V-R Village Redevelopment (21.35)	Single and multifamily units, senior housing, and second dwelling units as described in the Village Master Plan.	N/A	N/A	N/A

TABLE 39 - ZONES CONDITIONALLY ALLOWING RESIDENTIAL USES		
Zone/Applicable Ordinance	Residential Uses Allowed	Conditions for Residential Uses
C-1 - Neighborhood Commercial (21.26.015(2))	Single-family, two-family and multifamily units, senior housing.	CUP approval required. Must be above ground floor commercial uses.
C-2 - General Commercial (21.28.015(1))	Single-family, two-family and multifamily units, senior housing.	CUP approval required. Must be above ground floor commercial uses.
C-M - Heavy Commercial Limited Industrial (21.30.010(2))	Single-family unit	No CUP required. Must be for exclusive use of factory caretaker and family.
M - Industrial (21.32.010(1))	Single-family unit	No CUP required. Must be for exclusive use of factory caretaker and family.
P-M - Planned Industrial (21.34.040)	Single-family, two-family and multifamily units	CUP approval required. Must be integral part of industrial park or large industrial use.

Some development standards, such as parking, are based upon use rather than the zoning designation. The parking standards for residential uses vary based upon the unit type, with the single family home and condominiums requiring two-car garages for each unit. Apartment parking standards are less restrictive: one and one-half parking spaces for studio or one-bedroom units and two parking spaces for units with two or more bedrooms. Guest parking is required for condominiums and apartment complexes at a rate of 5 spaces for the first 10 units and one space per four units thereafter. As stated above, these parking standards apply to all residential projects, regardless of the zone.

In addition to the underlying zoning, areas of special interest within the city have been identified and bestowed with special development standards and/or permit processing requirements. These areas include hillsides, coastal zone properties, floodplains and areas adjacent to scenic corridors. Table 40 - "Special Areas and Overlay Zones" below lists these areas of special interest and identifies the permits required and the location of the additional regulations, in both the Municipal Code and Housing Element appendices.

TABLE 40 - SPECIAL AREAS AND OVERLAY ZONES			
Area or Overlay	Area Covered	Permits Required	Regulations
Hillside areas	15% grade and 15' change in elevation	Hillside Development Permit	Chapter 21.95
Coastal zone areas	Per Map E in Appendix C	Coastal Development Permit	Chapters 21.201 to 21.205

TABLE 40 - SPECIAL AREAS AND OVERLAY ZONES

Area or Overlay	Area Covered	Permits Required	Regulations
Floodplains	Per the Flood Insurance Rate Map, published by Federal Emergency Management Agency (FEMA)	Special Use Permit - Floodplain or Special Use Permit - Coastal High Hazard Area	Chapter 21.110
Beach Area Overlay	Per Map E, in Appendix C	Site Development Plan	Chapter 21.82
Scenic Preservation Overlay	El Camino Real plus more roads in future	Special Use Permit	Chapter 21.40
Qualified Development Overlay	Per Map E in Appendix C	Site Development Plan	Chapter 21.06
Airport Influence Area	Per Map E in Appendix C	Site Development Plan (unless covered by Specific Plan)	Chapter 21.06
Hospital Overlay	Areas designated for hospital uses	Site Development Plan	Chapter 21.21

These overlay zones have several impacts to the provision of housing. They typically require an additional permit that is not required elsewhere in the City. The overlay zones also contain special development standards and design criteria that usually limit the extent of development beyond the limits of the underlying zone. For example, the Beach Area Overlay Zone (BAOZ) restricts building height to 30 feet and two stories, whereas the underlying zoning of Multiple Family Residential Zone (R-3) allows 35 feet and three stories. Another example is the Airport Influence Area for the McClellan/Palomar Airport, which restricts residential uses based upon airport-generated noise level contours and flight activity zones.

c. Growth Management Program

In 1986, the citizens of Carlsbad passed Proposition E, which ratified the City's Growth Management Program. This program has two effects: lower residential density throughout the City and impose more stringent facility improvement and/or fee requirements for all development. Through this pro-gram, a maximum amount of dwelling units was established for each quadrant of the City. The total dwelling unit cap for the entire City is 54,600 units. The quadrant dwelling unit caps cannot be exceeded without a vote of the people.

As shown in Table 31 - "General Plan Residential Density Ranges" above, the maximum density for all General Plan designations is controlled by the Growth Control Point. The Growth Control Point is typically about half of the maximum density allowed by the General Plan designation. According to Section 21.90.045 of the Zoning Ordinance, a development may not exceed the Growth Control Point unless these three findings can be made:

The project will provide sufficient additional public facilities for the density in excess of the control point to ensure that the adequacy of the City's public facilities plans will not be adversely impacted; and

There have been sufficient developments approved in the quadrant at densities below the control point to cover the units in the project above the control point so that approval will not result in exceeding the quadrant limit; and

All necessary public facilities required by the Growth Management Ordinance will be constructed or are guaranteed to be constructed concurrently with the need for them created by the development and in compliance with adopted City standards.

Due to housing market conditions, many new developments throughout Carlsbad have been constructed at densities below the Growth Management Control Point. Therefore, the City has "excess" dwelling units that may be applied to properties, allowing them to exceed their specific Growth Management Control Point Density or even their maximum General Plan range. These dwelling units can only be allocated, however, consistent with City Council Policy No. 43. This policy states the priority for which excess dwelling units are to be allocated. The priorities are as follows:

First Priority

1. *Housing development for lower-income households where allowable housing expenses paid by the qualifying household does not exceed thirty percent (30%) of the gross monthly income, adjusted for household size, at eighty percent (80%) of the county median income.*
2. *Density transfers, clustering of development and dwelling unit locational adjustments which are proposed in order to preserve larger areas of sensitive habitat.*
3. *Infill Single-Family Subdivisions that meet all development standards and where proposed lot sizes will be equal to or greater than adjacent subdivided properties.*

Second Priority

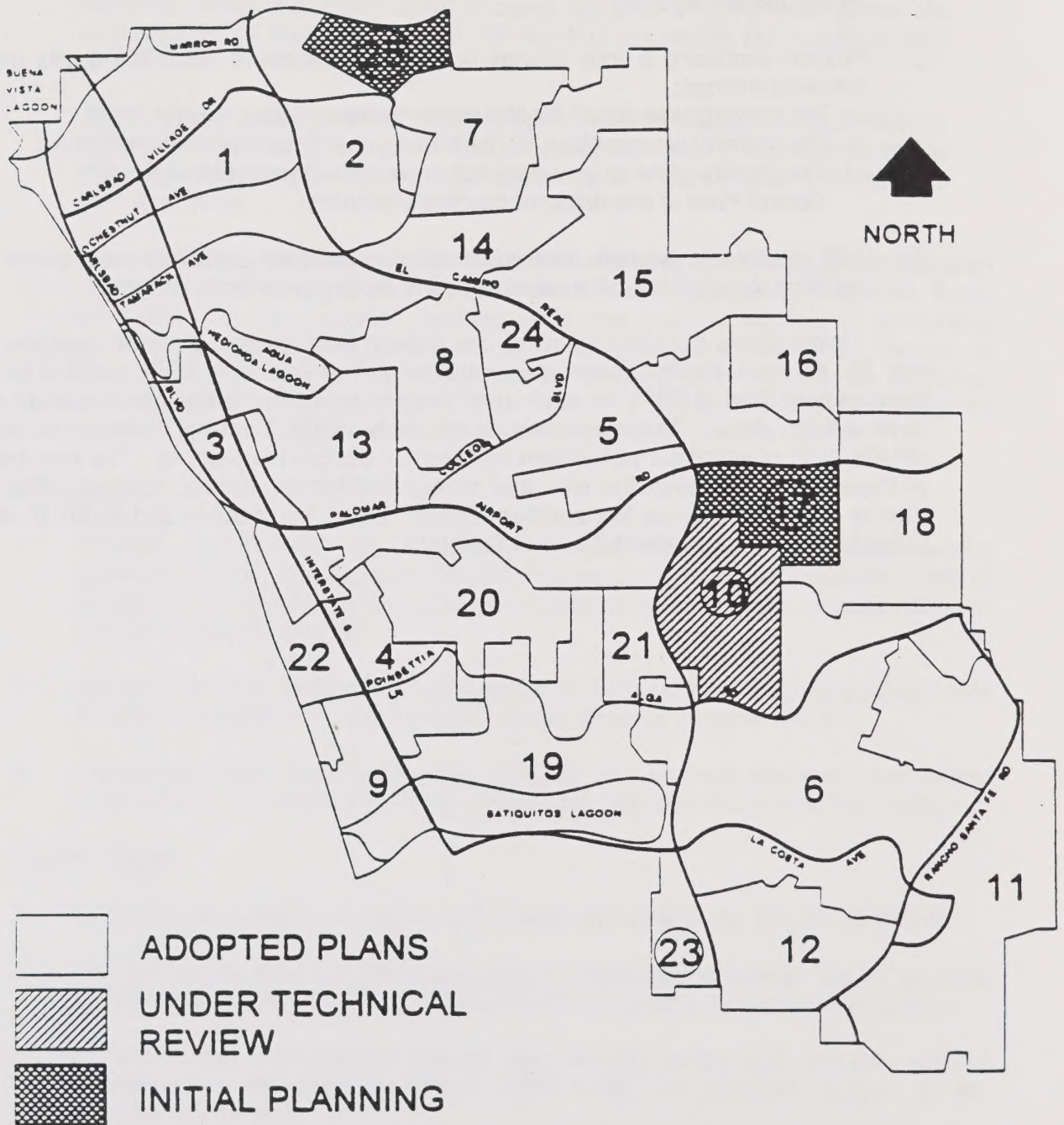
1. *Senior Citizen housing as defined by Carlsbad Municipal Code Section 21.18.045*
2. *Transit oriented development projects where increased residential density is being placed in close proximity to major transit facilities and commercial support services.*
3. *Projects within the existing general plan density range that provide, without compensation, for some significant public facility not required as part of the development process.*

Third Priority

1. *Housing Development for moderate income households where allowable housing expenses paid by these qualifying households does not exceed thirty percent (30%) of gross monthly income, adjusted for household size, at 120 percent (120%) of the county median income.*
2. *Projects proposing a zone change from non-residential to residential based on the following findings;*
 - a) *The property was zoned for other than residential use on July 1, 1986.*
 - b) *The property is compatible for residential use without significant mitigation.*
 - c) *The density of the project does not exceed the Growth Management Control Point of any adjacent residential property.*
3. *Infill multifamily projects that meet all development standards and where the resulting density does not exceed adjacent, existing multifamily projects.*

With regard to facility planning, the Growth Management Program split the City into 25 different facility zones and requires the preparation of a Local Facilities Management Plan (LFMP) for each zone prior to approving entitlements and physical development plans. There are only three areas of the City that have yet to adopt LFMPs, both of which contain vacant residentially designated property. The preparation of these plans increases the time and money needed to produce housing. Map B - "Status of Local Facilities Management Zones" shows the location and status of all 25 Local Facilities Management Zones in Carlsbad.

Map B – STATUS OF LOCAL FACILITIES MANAGEMENT ZONES



d. Redevelopment Plan

The downtown area of Carlsbad is covered by a redevelopment area which was formed in 1981 to reduce blight and increase economic vitality. Part of the redevelopment program involves the removal of deteriorating or unsightly buildings, both commercial and residential. Some of these older residential buildings provide affordable housing opportunities and could be replaced with upscale, market-rate units. Since the focus of the redevelopment plan is the revitalization of downtown commerce, there could be a tendency to favor commercial uses that generate tax increment, rather than affordable housing.

e. Permit Processing

To verify compliance with the variety of use regulations and development standards mentioned above, most development in Carlsbad undergoes varying degrees of discretionary review. If the proposed development involves ownership of the units, then a tentative tract map is required. If condominium ownership is proposed, then either a Planned Unit Development (PUD) Permit or a Condominium (Condo) Permit is required. This PUD or Condo Permit does not review the residential use, which is allowed by right. Rather the PUD or Condo Permit reviews design features, such as architecture, site design, landscaping and recreation areas. PUD or Condo Permits are only required when ownership units are proposed.

The discretionary review process for apartment developments, which are typically more affordable, is less onerous. Apartment projects with less than four units are allowed by right in multifamily zones, provided they have adequate General Plan density. Since only a building permit is required, apartment complexes with four or fewer units are an excellent method to provide affordable housing in underutilized or infill areas of the City. Apartment developments with over four units require a Site Development Plan, however the Site Development Plan must only be heard by the Planning Commission. As with the PUD or Condo Permit, the Site Development Plan reviews only design features of the development since the residential use is allowed by right.

The size of the project can also determine the permit required, the approving entity, processing time and cost. Table 41 - "Discretionary Reviews for Residential Projects", below, shows the types of discretionary review for residential development and their typical processing time and cost as of January, 1999. The processing times listed below include the typical time of completing and reviewing a permit (in other words, the time from the application date to the final decision date). The costs listed are only permit processing costs and do not include any costs associated with facility impact or in-lieu fees. A complete Development Fee Schedule is attached as Appendix J.

TABLE 41 – DISCRETIONARY REVIEWS FOR RESIDENTIAL PROJECTS

Type of development	Permits required	Approving entity	Processing time	Cost
Single-family house (1 unit)	Building Permit	Building Official	2 - 3 weeks	\$1,000 - 3,000/unit
Single-family standard subdivision (1-4 units)	Tentative Parcel Map	City Engineer	3 - 6 months	\$2,270
Single-family small-lot subdivision (1-4 units)	Tent. Parcel Map PUD Permit	City Engineer Planning Director	4 - 8 months	\$4,070
Single-family or Multi-family condominiums (1-4 units)	Tent. Parcel Map PUD Permit or Condo Permit	City Engineer Planning Director	4 - 8 months	\$4,070
Single-family or Multi-family apartments (1-4 units)	Building Permit	Building Official	3 - 5 weeks	\$1,000 - 3,000/unit
Single-family standard subdivision (5-50 units)	Tent. Tract Map	Planning Commission	6 - 9 months	\$4,900 + \$110/unit over 5
Single-family small-lot subdivision (5-50 units)	Tent. Tract Map PUD Permit	Planning Commission	6 - 11 months	\$9,900 + \$110/unit over 5
Single-family or Multi-family condominiums (5-50 units)	Tent. Tract Map PUD Permit or Condo Permit	Planning Commission	6 - 11 months	\$9,900 + \$110/unit over 5
Single-family or Multi-family apartments (5-50 units)	Site Development Plan	Planning Commission	6 - 11 months	\$6,770
Single-family standard subdivision (over 51 units)	Tent. Tract Map	City Council	8 - 12 months	\$9,850 + \$15/unit over 50
Single-family small-lot subdivision (over 51 units)	Tent. Tract Map PUD Permit	City Council	8 - 12 months	\$17,750 + \$15/unit over 50
Single-family or Multi-family condominiums (over 51 units)	Tent. Tract Map PUD permit or Condo Permit	City Council	8 - 12 months	\$17,750 + \$15/unit over 50
Single-family or Multi-family apartments (over 51 units)	Site Development Plan	Planning Commission	6 - 11 months	\$6,770

f. Mitigating Opportunities for Land Use Controls

The land use control constraints described above reflect the myriad of environmental, economic and social issues that Carlsbad addresses to ensure a balanced community. Facets of regulatory controls such as residential density designations, overlay zones, growth management and inclusionary housing indicate an effort to allow continued growth while addressing the needs of the community and the environment. Since the Housing Element is but one of the 12 elements of the General Plan, it is unrealistic to expect all land use controls to be eliminated in the pursuit of housing. Rather, the use of mitigating opportunities to find a commonly beneficial solution allows consistency between all General Plan elements and their goals, objectives and programs.

Theoretically, the governmental constraints could impose major barriers to the provisions of housing, especially for persons of lower-income and special needs. In practice, this has not been the case. Carlsbad has experienced, and continues to experience, growth in housing for the above-moderate, moderate and lower-income households. The recent housing boom and the resulting inflationary market makes it difficult to assess the degree to which current housing prices are due to constraints or the market. During 1998 and 1999, housing prices in Carlsbad rose steadily, even though no new governmental constraints were imposed. One could deduce, therefore, that the market plays a major role in housing prices and major adjustments of governmental constraints is not indicated.

Nonetheless, there are some mitigating measures and opportunities that reduce the impacts of existing governmental constraints. To reduce the level of housing opportunity constraints imposed by the City's land use distribution, a density bonus ordinance was adopted. This density bonus ordinance (Chapter 21.86 of the Carlsbad Municipal Code) allows unlimited density in all residential zones, provided that the project include a greater number of affordable units, and with more affordability, than the inclusionary ordinance would require. Successful implementation of this density bonus ordinance has already resulted in several hundred units affordable to low and very-low income households.

To allow for smaller, affordable units, none of the zones allowing residential development have minimum units sizes. While there are minimum lot size requirements for each zone, a Condominium or Planned Unit Development Permit allows either air-space ownership or lots as small as 3,500 square feet. To address the constraints that land use controls have on smaller properties, the City adopted an ordinance that allows modifications to the development standards imposed by zoning for projects that provide housing affordable to lower-income households. The City also allows priority processing for affordable housing projects, reducing the review time for discretionary permits. These measures, combined with the density bonus ordinance, remove governmental barriers to the provision of affordable housing on smaller, in-fill properties.

In order to address the uncertainty that often accompanies development in special or sensitive areas, the City has adopted overlay zones and a Habitat management Plan. Since most developments within Carlsbad require a discretionary permit to review design components, the additional permit that is required by an overlay zone does not produce additional burden. By proactively identifying the extent of the sensitive area with overlay zones, and identifying the mitigating measures for

development, the overlay zones allow potential developers to incorporate these mitigation measures into the project early in the process.

The City's Growth Management Program has not shown to be a barrier to then provision of housing, rather it has reduced the risk of facility requirements interfering with expedient development permit processing. As with the declarations of the overlay zones, the extent of the facility needs and the responsibilities of the potential development are known early in the process, allowing them to be more easily accommodated. While there are facility fees associated with development, the City has paid this facility fee for the development of many affordable housing projects, such as the Villa Loma and Poinsettia Station apartments.

2. OPEN SPACE AND HABITAT PRESERVATION

a. Constraints

As mentioned above, the City of Carlsbad contains large stands of native habitat. Some of the flora and fauna species within these habitats are listed as threatened or endangered by the California Department of Fish and Game and/or the U.S. Fish and Wildlife Service. As a result, development in these areas is constrained, either because of the additional costs associated with mitigating the development impacts or by the requirement for preservation of certain sensitive areas. In addition to the sensitive lands, the City's Growth Management Ordinance requires preservation of a minimum of 15 percent of open space within each subdivision or community. This Growth Management open space may or may not be constrained with sensitive species or habitat.

b. Mitigating Opportunities

To address this open space and habitat preservation constraint, the City of Carlsbad, along with other San Diego jurisdictions, is in the process of preparing a Habitat Management Plan that would define areas of development and preservation. This plan would theoretically facilitate development by clearly defining preservation areas and goals, taking into account sensitive species and areas of habitat connectivity. By allowing developers to predetermine the areas of preservation, design and construction costs can be reduced. The Habitat Management Plan also contains provisions for density transfers, allowing areas that would otherwise be developable to count towards calculating the project's overall unit yield. While these areas would remain undisturbed, the development could then be clustered at a higher density in the areas void of sensitive habitats or wildlife connectivity corridors.

3. BUILDING, ELECTRICAL AND PLUMBING CODES

a. Constraints

There have been many revisions to the applicable building, electrical, plumbing, and mechanical codes since the last Housing Element update in 1990. The current construction codes in use within Carlsbad are as follows: Uniform Building Code (1994 edition), National Electrical Code (1996 edition), Uniform Plumbing Code (1994 edition), and the Uniform Mechanical Code (1994 edition).

The revisions to these codes have been in the interest of increasing safety of structures and improvements. The most notable addition was the Seismic Element of the Uniform Building Code. In the process of adding regulations, the construction codes also added costs to the development of housing. The increased safety standards impose higher construction costs. In addition, the construction codes contain more requirements for certification by registered engineers and involve more complex plan preparation, raising development costs even further.

b. Mitigating Opportunities

Since the constraining construction code revisions were put in place for increased safety, mitigation through reductions in standards is not desirable. There are other mechanisms, however, that can reduce the constraint of construction codes on the provision of affordable housing. Priority processing of plans can offset the potentially added time in plan preparation and review. There are certain types of housing, such as resident hotels, that are deemed to be commercial in nature and, therefore, have different standards. Also, multiple-unit buildings can take advantage of consolidated electric, gas and water meters, further reducing construction costs.

4. CODE ENFORCEMENT PROGRAMS

a. Constraints

The City's Code Enforcement division can directly and indirectly produce constraints to the provision of housing, especially for lower-income households. One of the functions of Code Enforcement is the abatement of deteriorating housing and illegal housing units (also known as bootleg units). These housing units are typically rented for lower rates, making them available to lower-income individuals or households. By eliminating these housing units, the overall housing stock is reduced and the housing opportunities for lower-income households diminishes. These actions usually account for a loss of three to four substandard or illegal units per year.

Another area where Code Enforcement activities interact with the provision of housing is with the abatement of migrant worker/day laborer encampments in the undeveloped portions of the City. As detailed above, Carlsbad's undeveloped hinterland is a permanent or seasonal home to approximately 700 homeless individuals. These individuals can gather in relatively large encampments, producing a strain on the native habitat and increasing the risk for wildfires and watershed pollution.

b. Mitigating Opportunities

Currently the Code Enforcement division responds on a compliant basis. Therefore, there are no current programs to proactively seek out and remove substandard units, illegal units or migrant worker/day laborer encampments. By continuing this complaint-based response system, inoffensive illegal units can continue to provide housing opportunities for lower-income households. In addition, there are programs in the Housing Element that can provide incentives for property owners to replace their substandard units with housing that is still affordable to lower-income households.

5. INFRASTRUCTURE IMPROVEMENTS, EXACTIONS AND FEES

a. Constraints

During the course of development, necessary circulation improvements are addressed in order to achieve satisfactory circulation improvement goals. The City, through its Local Facilities Management Plan has further identified standards for circulation. Currently some circulation improvements are funded through a Bridge and Thoroughfares Fee that the City imposes on the areas of benefit. This fee varies according to the size of development and circulation impacts. (See fee schedule in appendices). The cost to the developer for the improvements required are usually passed on to the cost of the home or residence, increasing its cost.

In addition to required improvements, fees are assessed by the City and Districts to mitigate effects of development that would have an adverse effect on the community or district. A typical exaction would be for school fees. Fees and exactions receive the most amount of attention from the development community and are most often singled out as contributing to the growing costs of housing. A list of the current fees is located in the appendices.

b. Mitigating Opportunities

City Council Policy allows the waiver of Public Facility fees for low income housing. Implementation of this policy should also assess the fiscal impacts that the fee would normally generate on the budget of the respective departments. Reducing fees is a significant incentive for some residential development. The City may contribute financially to lower-income housing or to on/offsite infrastructure improvements through in-kind contributions for residential developments that would be made affordable to lower-income households.

6. CALIFORNIA ENVIRONMENTAL QUALITY ACT

a. Constraints

Under the California Environmental Quality Act, (CEQA) developments or actions defined as projects, unless otherwise exempted under specific CEQA guidelines, are required to undergo an assessment as to the impact the project will have to the environment. This assessment determines if a substantial or more detailed effort will be needed to assess the full impact or a determination that it will not have a significant impact. Developing rural areas, and environmentally sensitive areas that include lagoons and wetlands are particularly sensitive to the impacts of urbanization. Assessment and mitigation of these impacts are sometimes lengthy and meticulous adding extra cost to the development. Identification of impacts that cannot be mitigated may preclude development altogether.

Carlsbad has a substantial amount of environmental constraints due to its sensitive habitats, coastal location and conservative approach to preserving its unique natural surroundings. These constraints may preclude, reduce, or in most cases, slow down construction of new housing in Carlsbad.

b. Mitigating Opportunities

The California Environmental Quality Act provides opportunities for "tiering" environmental reviews. Projects that require a comprehensive review and assessment with an ensuing Environmental Impact Report often may contain specific mitigation measures to offset impacts. When a project requires multiple phases for completion, assessment and mitigation details can be included in the environmental impact report. Subsequent phases of the development may preclude further general or detailed environmental review. This may lead to faster processing of projects after a master environmental review and assessment and mitigation of impacts is completed and can be utilized for subsequent EIRs.

Additionally, as environmental impact reports may require mitigation measures for adverse impacts, new strategies to mitigate these adverse effects can be introduced. For example, a jobs housing balance is one strategy to reduce energy consumption and auto emissions by locating housing and jobs closer together. By creating a better mix of housing styles and types to create a greater range of and number of housing units for the current and future employment population, one would place employment and housing closer together. A mitigating effect is created to conserve fuel, reduce emissions, and reduce traffic impactation.

7. CALIFORNIA COASTAL ACT AND REGULATIONS**a. Constraints**

Currently a significant portion of undeveloped acreage is situated in the State designated coastal zone areas. Revisions to the Local Coastal Program must be approved by the California Coastal Commission, in addition to local approval processes. In addition, local approvals for development in close proximity to the ocean or lagoons could be appealed by the Coastal Commission. Often, to protect coastal resources significant changes or reduction in residential unit yields or densities are required for project approval. These requirements may significantly affect production of lower income units in coastal zone areas. Carlsbad has additional regulatory policies to preserve agriculture and scenic resources contained in its Local Coastal Programs approved by the State.

b. Mitigating Opportunities

Although the City's current coastal zone plan does not mandate low income housing as a provision of development as some plans do, opportunities using density bonus ordinances would be utilized in coastal zone development. Currently most of the City's existing low income housing stock is within the City's coastal zone. Preservation and rehabilitation programs may be mandated and implemented through this program. The city can also continue to implement its inclusionary housing program for all master or specific planned communities, (several of these communities are located in the coastal zone), thereby contributing to the low-income housing stock in the coastal areas.

8. ARTICLE 34 - CALIFORNIA CONSTITUTION

a. Constraints

Section 1 of Article XXXIV of the California Constitution provides that no "low rent housing project shall be developed, constructed, or acquired by any state public body" until voter approval has been obtained. The election requirement of Article XXXIV could limit the participation of a public body in the development of low- and moderate-income housing because of the delays, uncertainties and potential additional expenses associated with local elections.

b. Mitigating Opportunities

In general, Article XXXIV requires that two criteria be met: (a) a "state public body" must "develop, construct, or acquire", (b) a "low rent housing project." Article XXXIV would be inapplicable if one of these criteria was absent. It would be possible to confine the role of a public body in a housing development so that one of the two criteria is not met and an Article XXXIV election would not be required.

In order to clarify Article XXXIV, in 1976 the Legislature enacted the Public Housing Election Implementation Law (Health and Safety Code, Section 37000 seq.). According to that, a "low rent housing project" does not include the following types of development:

- a. Housing with 49% or less lower income occupancy, that is privately owned and is not exempt from property taxation (unless fully reimbursed to all taxing entities);
- b. Housing that is privately owned, is not exempt from property taxation by reason of any public ownership and utilizes land banking, property acquisition resale write down, guarantees and insurance of private loans and other assistance not constituting direct long-term financing from a public body;
- c. Housing that is developed for owner occupancy rather than rental occupancy;
- d. Housing consisting of newly constructed, privately owned, one to four family dwellings not located on adjoining sites;
- e. Housing that consists of existing units leased by a state public body from a private owner; and
- f. Rehabilitation, reconstruction or replacement of an existing low rent housing project.

Public body involvement limited to these types of housing developments would still help provide low- and moderate-income housing and would not be subject to the Article XXXIV election requirement.

Not all activities carried out by public bodies can be defined as "development, construction, or acquisition" of a low rent housing project. The meaning of "develop, construct or acquire" would not be applicable if the agency's involvement in providing low- and moderate-income housing is limited to offering the following incentives and concessions:

- a. Reducing or waiving of planning fees, building plan check and permit fees, or street dedication or infrastructure improvements;
- b. Modifying or reducing development standards;

- c. Granting density bonuses; or
- d. Pass through of land.

The California Supreme Court in *California Housing Finance Agency v. Elliot* (17 Cal.3d 575 [1976]) concluded that whenever a public body very extensively participates, or assists in not only making a low rent housing project possible but also fully regulating the project so that the result is that the government is essentially the landlord, the matter will be subject to the Article XXXIV election requirement. Thus, a public body that grants a loan for a low rent housing project and the loan is conditioned on typical government agency requirements such as review and approval of plans, project financing, operation and maintenance standards and occupancy would generally constitute development and construction of the housing project and fulfills the criteria for applicability of Article XXXIV.

Any mortgage revenue bond issued or direct financial assistance given by a public body to assist in the development of a low rent housing project would necessitate an Article XXXIV election if these other criteria are also met.

On November 4, 1980, the following measure (Proposition X) was placed on the Carlsbad ballot for voter approval.

"Do the qualified electors of the City of Carlsbad, pursuant to Article XXXIV of the Constitution of the State of California, approve the development, construction, and acquisition of low rent housing projects by the City of Carlsbad, or other City-designated public agency, not to exceed 250 total units on scattered sites throughout the City to provide living accommodations for low-income senior citizens?"

Carlsbad voters approved this Article XXXIV referendum to allow no more than 250 units of senior low-income housing. However, this authority has not yet been exercised.

9. CITY STAFFING LEVELS

a. Constraints

Constraints to housing opportunities may also include insufficient staffing. Federal, State and Local regulatory procedures often call for substantial review of development prior to construction. Staffing to fulfill current requirements and for additional regulatory procedures must be identified as a constraint for housing if sufficient staffing to meet processing goals and timelines are not allocated. Community Development activities such as Planning, Building and Engineering functions are impacted by the pace and magnitude of development. In addition, as the administration of housing programs are a function of the City's Housing and Redevelopment Agency, creation of additional low-income housing opportunities and the administration of them, may require additional staffing.

Review of the City's previous element has shown that a variety of programs were not completely implemented due to the increased staff time required for additional housing programs. Future programs that add additional administrative tasks to staff may also fall short of complete implementation if sufficient staffing time is not available to administer additional housing programs.

b. Mitigating Opportunities

Insufficient staffing and under-budgeting of positions in City Departments may also act as constraints to housing. Implementing programs to increase affordable, or the production of low income units, are dependent on adequate staffing. Frequently these programs are prioritized below other administrative and regulatory tasks and as such are not implemented on a timely basis. Housing programs that require more administrative and managerial time may result in a need for more staff for it to be effective.

B. NON-GOVERNMENTAL CONSTRAINTS

In addition to the constraints imposed by governmental regulation, there are many financial constraints, such as the cost of money, land and labor.

1. FINANCING

Financing is a key component of housing development. Financing can be broken down into two key categories: takeout (construction), and permanent (mortgage). Construction financing is usually short-term in nature and is used for acquisition and development of property. Mortgage or permanent financing is the long-term financing of the project. This debt usually buys out the construction financing and is serviced by income received from rents or sales. If financing, either takeout or permanent, is not available for any of the reasons listed below, new construction will not occur.

a. Constraints

Recent developments in the banking and financing industry have had substantial impact on the development of both multi- and single family housing. Several recent events have had major effects on the supply of money that has traditionally been used to finance affordable housing.

The 1986 Federal Tax Reform Act substantially changed the rules for real estate investment with particular regard to multifamily construction. Recent legislation has reduced tax benefits normally associated with investment in multifamily development. This has had the effect of reducing the amount of money available for multifamily construction.

The 1989 Federal Savings and Loan Act restructured and added new regulations to the Savings and Loan/Thrift Banking Institutions. These changes limited (1) the amount of money that could be lent to one borrower, and (2) mandated extra capitalization reserves for all savings and loans as a ratio to money lent. (This has had an impact on the ability to acquire money for acquisition and development and for permanent financing.) Impacted the hardest were multifamily builders and small development (over 100 units) companies who usually only used one or two lending sources for their developments.

i. Availability and Use of Public Financing

Funds that are available through Federal, State, and Local sources are referred to as public in nature. These funds are usually made available at below market (private)

interest rates for purposes of providing low-income housing opportunities. These funds are not widely available and are restricted in their use. With the decrease in private market financing for multifamily development, the demand for this financing has grown. Competition for these funds is high and availability is not always consistent.

The additional constraint to using government financing is that of restrictions of use and a high administrative burden that sometimes accompanies these funds. Many cities have chosen not to compete for these funds as they do not have the administrative capability to manage them.

ii. Rates

The cost of acquiring land for development is closely tied to the available mortgage rates. Table 42 - "San Diego County Mortgage Rates - 12/29/98", below, shows the mortgage rates offered by several San Diego financial institutions, as of December 29, 1998.

TABLE 42 SAN DIEGO COUNTY MORTGAGE RATES - 12/29/98			
Institution	30 year fixed	15 year fixed	1 year APR
Bank of America	7.00%	6.88%	5.50%
California Federal Bank	6.30%	6.13%	5.63%
Home Savings of America	7.10%	6.75%	6.70%
Union Bank of California	6.88%	6.50%	5.63%
American F&I	6.88%	6.63%	6.63%
Source: Yahoo Finance and Investments – URL: http://biz.yahoo.com/b/r/mc_sa.html			

Table 43 - "Money Rates" below contains the cost of funds by several governmental sources, as of December 29, 1998.

TABLE 43 - MONEY RATES

Prime Rate	7.75%
Federal Funds Rate	4.86%
6 month Labor Rate	5.04%
30 year Treasury Bond	4.96%
Source: Money-rates.com, Inc. - URL: http://www.money-rates.com	

b. MITIGATING OPPORTUNITIES

Financing constraints may be overcome by several financial tools available to create more affordable housing. These tools include mortgage revenue bonds, public financing, low-income permanent financing, Community Reinvestment Act, Redevelopment Set-Aside Funds and Community Development Block Grant Funds. These financing sources are described below.

i. Mortgage Revenue Bonds

These are bonds sold by the City to create a pool of money for subsidized mortgages. The bonds are serviced through a return rate on the mortgage or resold on the bond market. The up-front costs of issuing bonds are prohibitively expensive for a small issuer. To reduce the "up-front" cost of the issuance of a Mortgage Revenue Bond that will cover only a small amount of mortgages that a city may wish to offer, many cities have formed pools in a cooperative effort to spread the up-front cost among several cities or housing authorities. Mortgage revenue bonds can be issued for multifamily or single family developments, but multifamily bonds have become less in demand and more difficult to issue due to recent changes in the tax code.

ii. Public Financing

The State Housing and Community Development Agency, and HUD offer construction, rehabilitation, and permanent financing as low as three percent to qualified applicants such as housing authorities or private not-for-profit developers. These funds are competed for based on participation of other funding sources and local need. A brief list of these programs is listed below:

Federally funded rehab and construction programs:

- Section 202 Direct loans for elderly and handicapped housing.
- Section 502 Rural home ownership assistance.
- Section 515 Rural rental housing assistance.
- Section 17 Rental housing rehabilitation.
- Section 317 Rehabilitation loans.
- Housing and Community Development Act Block Grants.

State funded rehabilitation and construction programs:

- Family Housing Demonstration Program (HCD)

Home Mortgage Purchase Program (CHFA)
 Predevelopment Loan Program (HCD)
 Rental Housing Construction Program (HCD)
 Rental Housing Mortgage Loan Program (CHFA)
 Self Help Housing (CHFA & HCD)
 AB 665 (1982) Bonds - Renter occupied construction
 Funds authorized by the Mark-Furon Residential Rehabilitation Act and
 SB 99 New construction
 California Energy Conservation Rehabilitation Program
 Deferred Payment Rehabilitation Loan Fund (HCD)
 Home Ownership Mortgage Bond Program (CHFA)
 Home Ownership Assistance Program (HCD)
 Matching Down Payment Program (CHFA)
 Natural Disaster Assistance Program (HCD)
 Non Profit Housing Program (CHFA)
 Farmworker Housing Grant Program (HCD)
 Mobilehome Park Assistance Program (HCD)
 State Legalization Impact Assistance Grant Program (HCD)
 State/Local Multifamily Program (HCD)
 Federal Emergency Shelter Grants Program (HCD)
 Senior Citizen Shared Housing Program (HCD)

This list of financial and assistance programs is not all-inclusive, and many programs may not have funding availability at this time. It is important that the City familiarize itself with the application process and availability of these funds.

iii. Low Income Permanent Financing

A consortium of banks and savings and loans has formed an organization (SAMCO) designed to offer private below market permanent financing for low-income projects. This organization, based in San Diego, is a prime source for below market financing needed for low-income projects.

iv. Community Reinvestment Act

This Act requires lending institutions to report on their lending activities and how they meet the needs of the community. Lending institutions may face official sanctions for not meeting performance goals. A City may have a program to evaluate an institution's lending practices for its community. It may impose its own sanctions. These sanctions may include withdrawal of funds by the City, or cooperating businesses, from lending institutions that have not made adequate mortgage or construction financing loans in their community.

v. Redevelopment Set-Aside Funds

Currently State Law required that 20 percent of tax increment returns be set aside for low- to moderate- income housing. This is a good source of gap funding or equity positions the City may wish to participate in with qualified low-income residential projects.

vi. Community Development Block Grant Funds

The City of Carlsbad uses the Federally entitled grant funds to support a wide range of services and programs that benefit the community's lower and moderate-income households. CDBG funds may be used for housing purposes in the acquisition of land using these funds and in the funding of rehabilitation and preservation programs. The CDBG funds may also be used to fund a wide range of planning studies and programs that will benefit low and moderate-income households.

2. COST OF LAND

a. Constraints

The price of land varies depending on location, improvements and use. The cost of land in Carlsbad is a prime constraint in providing affordable housing opportunity. Carlsbad contains a significant amount of land with coastal views; a premium that is added to the cost of land. In addition, location factors such as proximity to freeway access, public facilities, and intangible factors such as image and quality of life contribute significantly to demand and price. The cost of improving the land, grading and added infrastructure also contributes to the final costs.

Carlsbad has a considerable amount of land located in hilly topography. The added costs of grading required as well as the additional engineering and improvement costs are greater as opposed to flat level land. Costs associated with land have traditionally contributed to around 40 percent to the cost of a home. In Southern California the price of land and its preparation sometimes may be as high as sixty percent. The price of land is also determined on the number of units that the land may yield after constraints such as topography, environmental constraints and density are factored in. The actual yield may be far below the allowable density. Land prices in Carlsbad vary substantially. Undeveloped vacant land with varied topography and no improvements is approximately \$125,000 - \$275,000 an acre, with coastal view land slightly higher. Infill residential land, with all improvements may run as high as \$1 million an acre depending on location and density. The added value and price of land in Carlsbad has severely limited market-rate financed construction for low-income households.

b. Mitigating Opportunities

Land prices are generally determined in the market place. As such, the availability of non constrained developable acreage suitable for residential development is higher in areas closer to significant employment centers and areas with significant desirable attributes, i.e., coastal vs. inland. Carlsbad has substantial acreage that falls within these attributes. Land pricing is also a factor of yield or return. Land costs are also determined on "how much" or yield of development that can occur upon a specific property. This yield is a product of the General Plan Density which often determined housing product type, infrastructure or the amount of acreage needed for public improvements, net developable acreage and general market conditions.

As shown in Table 34 – "Total Vacant Developable Residential Lands by General Plan Designation – 1998", a large majority of Carlsbad's vacant land is designated Residential Low-Medium Density, allowing up to four units per developable acre. Most

developers and housing advocates immediately tie high density designations to the ability to provide affordable housing. However, the land costs are also tied to density, typically in a proportionate fashion: the higher the potential yield of a property, the higher the vacant land cost. Low density designations serve to keep the land cost as low as possible, realizing that the City's density bonus ordinance could allow high-density development for affordable housing.

The Villa Loma Apartments (344 units affordable to low and very-low income households) serves as just one example of the implementation of the density bonus ordinance. The 21 acre Villa Loma site is designated Residential Medium Density in the General Plan, allowing up to eight (8) units per developable acre with a Growth Control Point of six (6) units per developable acre. Had the site been already designated with the density that Villa Loma was granted through the discretionary permits (17 units per developable acre), the land costs would have been much higher and potentially a barrier to the project.

Final land prices are determined by how much (if any) entitlement are secured for the land. This is important if the land is sold and currently undeveloped but has secured entitlement to build. Price can be affected by knowing there are considerations such as low income housing that need to be included in the project. This may affect the project pro-forma and the selling price of the property may be adjusted to compensate for this. Other techniques may be used to supply land at reduced prices. These include:

i. Imminent Domain/Friendly Condemnation

To assure an adequate supply of housing in all income ranges a city may choose to acquire suitable property to assure this need is to be met. Property acquired through friendly eminent domain proceedings is subject to fair market value but substantial tax benefits may accrue to the owner of the parcel. Property that is acquired by this method through "friendly" negotiations usually arrive at an equitable disposition and the property may be acquired at a below market price.

ii. Land Banking

Land could be acquired or purchased by the City that may not be currently used for housing but may be given entitlement at a future date. This land could be resold with entitlement to a non-profit developer at a reduced price to provide housing affordable to lower income households. Land may be accepted as an in-lieu contribution for an inclusionary housing requirement. Land purchased or contributed for the purpose of residential construction must be suitable for the appropriate density.

iii. Government/Public Land

Surplus property that is owned by the City or another public entity can be acquired to provide potential housing opportunities for lower income households. Surplus property is then passed on to a developer at a negotiated reduced price in exchange for a requirement for more housing affordable to target income groups.

iv. Constrained Acreage

Developable acreage that is constrained due to government control, may be utilized to increased yield of developable acreage. Currently Carlsbad does not give density credit to acreage that is constrained due to several factors. Density credits may be given to this land and transferred to an adjacent property for the purpose of low-income housing.

3. COST OF CONSTRUCTION

a. Constraints

Construction costs may contribute significantly to the affordability and cost of housing. Factors that contribute to construction costs are referred to as "hard costs" and typically refer to labor and materials. Soft costs are typically a developer's overhead, and carrying costs on acquisition or construction loans. Carrying costs are associated with finance and lending constraints as well as processing times as referred to earlier in this section.

i. Labor

Labor costs are significantly higher in the Southern California region than averages nationwide for similar employment. The prevailing wage for construction is \$16.00 - \$28.00 per hour average depending on skill, experience, and labor union affiliation.

ii. Construction Costs per Square Foot

The cost per square foot for construction is a general average for the San Diego Region. This may vary from builder to builder based upon a number of factors. The average residential construction cost per square foot for multifamily dwellings is approximately \$72 per square foot and \$82 per square foot for single-family detached dwellings.

b. Mitigating Opportunities

Costs of construction in this section refer to labor and materials. The typical labor rate for construction workers depends upon the level of skill associated with the job, whether it is union or not and the availability of construction workers.

Opportunities exist for reduction of costs associated with construction. These include, but are not limited to:

i. Factory Built Housing/Manufactured Housing

Using new technology, manufactured homes may represent new shelter opportunities in the low and moderate-income range. Some of the housing construction is conducted offsite and transported to the construction site. A fast growing alternative to onsite development, construction of flooring and framing is done in computer controlled factories and then transported onsite for assembly. Estimates on cost reductions using these methodologies may be as high as 30 percent. The City could

encourage developers to take advantage of these type of programs. The product is identical in appearance to custom onsite stick built single family or multifamily product.

Residential manufactured home developments (R-MHD) are residential developments that have characteristics common to both multi-family and single-family neighborhoods. R-MHD are income producing properties as are multi-family complexes, but individual detached manufactured homes in the development are owner occupied. Home owners enter into a long-term lease with the partnership or corporation (which may be owned by the tenants) which manages and maintains community infrastructure.

R-MHD are typically pegged to area apartment rates. The lifestyle and density patterns are decidedly single-family in nature. R-MHD compete in the shelter market between multi-family and condominium.

ii. Development Standards

Development standards, either modified or as part of administrative policies, sometimes add extra cost because of additional materials required and extra labor. A significant reduction of costs from a modification or waiver of the standards can be attained and passed on to the savings of the unit for low-income housing.

iii. Construction Management

Development of affordable and low cost housing is sometimes accomplished through special construction management techniques. Companies that specialize in low cost housing utilize these special management techniques to cut costs. In any low-income development, this should be a requirement

C. ENVIRONMENTAL CONSTRAINTS

Given its Southern California location, varied topography, agricultural lands and relatively extensive undeveloped habitat areas, Carlsbad faces many environmental constraints to the provision of housing. All of these environmental constraints have the potential to limit the extent of land developed as well as the actual cost of development. The environmental constraints are grouped into:

1. ENDANGERED SPECIES AND SENSITIVE HABITATS

a. Constraints

As mentioned above, the City of Carlsbad contains numerous areas of native habitat, some containing endangered or sensitive species, as defined by the U.S. Department of Fish and Wildlife and the California Department of Fish and Game. These species, along with other indicator species of sensitive habitats, are listed below. Also included in the listing is the status of each species with regard to State and Federal listings.

TABLE 44 - FLORA AND FAUNA SPECIES IN CARLSBAD		
Common Name	Scientific Name	Status
Invertebrates		
Globose Dune Beetle	<i>Coelus globosus</i>	*/
Harbison's Dun Skipper	<i>Euphyes vestris harbisoni</i>	*/
Hermes Copper	<i>Lycaena hermes</i>	*/
Oblivious Tiger Beetle	<i>Cicindela latesignata obliviosa</i>	*/
Quino Checkerspot	<i>Euphydryas editha quino</i>	FE/
Riverside Fairy Shrimp	<i>Streptocephalus woottoni</i>	FE/
Saltmarsh Skipper	<i>Panoquina errans</i>	*/
San Diego Fairy Shrimp	<i>Branchinecta sandiegoensis</i>	FE/
Sandy Beach Tiger Beetle	<i>Cicindela hirticollis grvida</i>	*/
Birds		
Belding's Savannah Sparrow	<i>Passerculus sandwichensis beldingi</i>	*/CE
Bell's Sage Sparrow	<i>Amphispiza belli belli</i>	*/CSC
Burrowing Owl	<i>Speotyto cunicularia hypugaea</i>	*/CSC
California Brown Pelican	<i>Pelecanus occidentalis californicus</i>	FE/CE
California Least Tern	<i>Sterna antillarum browni</i>	FE/CE
Coastal Cactus Wren	<i>Campylorhynchus brunneicapillus cousei</i>	*/CSC
Coastal California Gnatcatcher	<i>Poliophtila californica californica</i>	FT/CSC
Cooper's Hawk	<i>Accipiter cooperii</i>	/CSC
Elegant Tern	<i>Sterna elegans</i>	*/CSC
Golden Eagle	<i>Aquila chrysaetos</i>	BEPA/CSC
Grasshopper Sparrow	<i>Ammodramus savannarum</i>	None
Large-billed Savannah Sparrow	<i>Passerculus sandwichensis rostratus</i>	*/CSC
Least Bell's Vireo	<i>Vireo bellii pusillus</i>	FE/CE
Light-footed Clapper Rail	<i>Rallus longirostris levipes</i>	FE/CE
Long-billed Curlew	<i>Numenius americanus</i>	*/CSC
Northern Harrier	<i>Circus cyaneus</i>	/CSC
Osprey	<i>Pandion haliaetus</i>	/CSC
Peregrine Falcon	<i>Falco peregrinus anatum</i>	FE/CE

TABLE 44 - FLORA AND FAUNA SPECIES IN CARLSBAD

Common Name	Scientific Name	Status
Rufous-crowned Sparrow	<i>Aimophila ruficeps canescens</i>	*/CSC
Southwestern Willow Flycatcher	<i>Empidonax traillii extimus</i>	FE/CE
Tricolored Blackbird	<i>Agelaius tricolor</i>	*/CSC
Western Bluebird	<i>Sialia mexicana</i>	None
Western Snowy Plover	<i>Charadrius alexandrinus nivosus</i>	FT/CSC
White-faced Ibis	<i>Plegadis chihi</i>	*/CSC
Yellow-breasted Chat	<i>Icteria virens</i>	/CSC
Plants		
Aphanisma	<i>Aphanisma blitoides</i>	*/
Blochman's Dudleya	<i>Dudleya blochmaniae</i> ssp. <i>blochmaniae</i>	*/
California Orcutt Grass	<i>Orcuttia californica</i>	FE/CE
Cliff Spurge	<i>Euphorbia misera</i>	None
Del Mar Manzanita	<i>Arctostaphylos glandulosa</i> ssp. <i>crassifolia</i>	FE/
Del Mar Mesa Sand Aster	<i>Corethrogyne filaginifolia</i> var. <i>linifolia</i>	†/
Encinitas Baccharis	<i>Baccharis vanessae</i>	FT/CE
Engelmann Oak	<i>Quercus engelmannii</i>	None
Little Mouseltail	<i>Myosurus minimus</i> ssp. <i>apus</i>	*/
Nuttall's Lotus	<i>Lotus nuttallianus</i>	*/
Nuttall's Scrub Oak	<i>Quercus dumosa</i>	*/
Orcutt's Brodiaea	<i>Brodiaea orcuttii</i>	*/
Orcutt's Hazardia	<i>Hazardia orcuttii</i>	*/
Orcutt's Spineflower	<i>Chorizanthe orcuttiana</i>	FE/CE
Parry's Tetracoccus	<i>Tetracoccus dioicus</i>	*/
Prostrate Navarretia	<i>Navarretia fossalis</i>	PT/
San Diego Ambrosia	<i>Ambrosia pumila</i>	*/
San Diego Barrel Cactus	<i>Ferocactus viridescens</i>	*/
San Diego Button-celery	<i>Eryngium aristulatum</i> var. <i>parishii</i>	FE/CE
San Diego Goldenstar	<i>Muilla clevelandii</i>	*/
San Diego Marsh-elder	<i>Iva hayesiana</i>	*/
San Diego Thorn-mint	<i>Acanthomintha ilicifolia</i>	PE/CE
Short-leaved Dudleya	<i>Dudleya blochmaniae</i> ssp. <i>brevifolia</i>	†/CE
Sticky Dudleya	<i>Dudleya viscida</i>	*/
Summer-holly	<i>Comarostaphylis diversifolia</i> ssp. <i>diversifolia</i>	*/
Thread-leaved Brodiaea	<i>Brodiaea filifolia</i>	PT/CE
Torrey Pine	<i>Pinus torreyana</i> ssp. <i>torreyana</i>	*/
Variegated Dudleya	<i>Dudleya variegata</i>	*/
Wart-stemmed Ceanothus	<i>Ceanothus verrucosus</i>	*/

TABLE 44 - FLORA AND FAUNA SPECIES IN CARLSBAD

Common Name	Scientific Name	Status
Amphibians and Reptiles		
Arroyo Southwestern Toad	<i>Bufo microscaphus californicus</i>	FE/CSC
California Red-legged Frog	<i>Rana aurora draytonii</i>	FT/CSC
Orange-throated Whiptail	<i>Cnemidophorus hyperythrus beldingi</i>	*/CSC
San Diego Horned Lizard	<i>Phrynosoma coronatum blainvillei</i>	*/CSC
Southwestern Pond Turtle	<i>Clemmys marmorata pallida</i>	*/CSC
Western Spadefoot Toad	<i>Scaphiopus hammondi</i>	/CSC
Mammals		
California Mastiff Bat	<i>Eumops perotis californicus</i>	*/CSC
Mountain Lion	<i>Felis concolor</i>	CA REG
Northwestern San Diego Pocket Mouse	<i>Chaetodipus fallax fallax</i>	*/CSC
Pacific Pocket Mouse	<i>Perognathus longimembris pacificus</i>	FE/CSC
San Diego Black-tailed Jackrabbit	<i>Lepus californicus bennettii</i>	*/CSC
Southern Mule Deer	<i>Odocoileus hemionus fuliginata</i>	CA REG
Stephens' Kangaroo Rat	<i>Dipodomys stephensi</i>	FE/CT
Townsend's Western Big-eared Bat	<i>Plecotus townsendii pallescens</i>	*/CSC
Codes and Notes		
Status (Federal/State)		
FE = Federally endangered. PE = Proposed for federal listing as endangered. FT = Federally threatened. PT = Proposed for federal listing as threatened.		
C = Candidate for federal listing. BEPA = Bald Eagle Protection Act. CE = State endangered. CT = State threatened. CSC = State Species of Special Concern.		
* = formerly Category 2 or Category 3 candidate or proposed for federal listing; no current federal status. † = proposed rule to list as endangered or threatened has been withdrawn; no current federal status. Protected = moratorium on hunting. None = no federal or state status.		

b. Mitigating Opportunities

The mitigating opportunities for the environmental constraints of sensitive habitat and endangered species are integrally linked to the mitigating opportunities for the regulatory constraints imposed by open space preservation provisions and the California Environmental Quality Act. As stated in those sections, the development of a preservation plan acceptable to responsible agencies would likely reduce costs and processing time for housing developments.

2. WATER SUPPLY

a. Constraints

Climatological factors such as drought conditions may constrain housing, both in construction and long term availability. Water reserves in a region drop and conservation becomes necessary as mandated in various stage alerts, construction grading becomes a low priority and is sometimes halted. This may push back construction scheduled and add additional costs to housing.

Long term availability of water is allocated on a state and regional level and is sometimes beyond the purview of local municipal governments. On a city's jurisdiction may provide restriction in development in the long term if in coordination with local water authorities.

b. Mitigating Opportunities

Water conservation efforts in developments that would significantly reduce water consumption rates may be included as an incentive for low cost housing for future housing developments.

The use of water saving appliances and increased xerophytic landscaping that are consistent and compatible with the City's Landscape Standards should be encouraged with ties to incentives for low-income housing production. Xerophytic landscaping may be substituted for normal "lush" landscaping standard for low-income projects.

Water conservation would also be encouraged by requiring the use of reclaimed water for grading purposes during construction periods or by providing incentives for developments if water conservation fixtures and appliances are utilized in new construction.

Retrofitting of existing housing units with water conserving appliances or fixtures should be encouraged. During times of water alerts and shortages, retrofitting and the savings produced may allow residential development without a net increase in water consumption.

3. TOPOGRAPHY

a. Constraints

Topography can be a key constraint to housing development, as it removes significant acreage in the city from development and contributes to the land prices. Carlsbad, through an adopted Hillside Development Ordinance, does not allow significant amounts of grading without required regulatory permits.

Land that has slopes of over 40% is precluded from calculating density on the site. Slopes under 40% and greater than 25% are allowed one half of the site's density. Carlsbad has over 5,000 acres that are constrained topographically. Hilly land that is allowed for development has significantly more costs associated with its improvements than flat level land. These cost are usually passed on to the homebuyer or renter.

b. Mitigating Opportunities

The City in order to achieve development compatible with the community and preserve unique scenic qualities of hillside topography has developed a hillside ordinance. Provisions of this ordinance call for no residential development on hillsides with slopes greater than 40%. On slopes with inclination greater than 25% but less than 40%, density is reduced by one half. A possible incentive for low-income housing would be a density credit in hillside acreage of slopes greater than 25% or less than 40%. This would increase the yield of low-income units over what normally could be provided, especially with developments in hillside areas. The City could make other efforts, such as modifications to the Hillside Development Standards for affordable projects.

4. MCCLELLAN/PALOMAR AIRPORT

a. Constraints

Carlsbad is home to the McClellan-Palomar Airport, a public general aviation facility. In 1970, the State of California enacted a law requiring the formation of an Airport Land Use Commission in each county containing a public airport. Among the duties of this Commission is the formulation of a Comprehensive Land Use Plan (CLUP). In San Diego County the San Diego County of Governments (SANDAG) has been designated as the Airport Land Use Commission.

In 1974 the original Land Use Plan for the McClellan-Palomar Airport was adopted and in 1986 a revised plan was adopted. The plan was adopted to assist in ensuring compatible land use development in the area surrounding the McClellan-Palomar Airport. The plan contains the Airport's Influence Area, projected noise contours, clear zone, flight activity zone, land use compatibility matrix and recommendations. The significant restrictions to housing and residential development are within the flight activity zone and within certain projected noise contour levels. The flight activity zone contains areas restricted from certain uses due to crash hazards. The projected noise contour levels are used to quantify noise impacts and to determine compatibility with land uses. Noise levels are quantified based on a descriptor of daily noise level, the community noise equivalent level (CNEL). The boundaries of these levels are defined as "contours" and are depicted on the Airport Noise Contour Map.

The contour does not define a land area in which residential uses are unsuitable. Rather, the contour identifies an area in which mitigation measures may have to be utilized to reduce the impact of aircraft noise on dwelling units other than single family detached. State Noise Standards have adopted the 65 CNEL contour level as the value defined as a boundary within which the noise environment is not suitable for residential use.

b. Mitigating Opportunities

The City's General Plan Land Use Map shows the area around the McClellan-Palomar Airport as being industrial in nature, with some agricultural uses. There are no residentially zoned lands, as the Land Use Map indicates only future Industrial and Open Space Use in close proximity to the airport.

Although the area is primarily industrial there does exist opportunities for residential habitation. The P-M zoning district of the City's Zoning Ordinance allows multifamily residential development providing it serves with or is built in conjunction with adjoining industrial development. Any multifamily development within the 65 CNEL is subject to a noise study and the resulting mitigation measures.

The area around the airport also allows commercial land uses that may include hotels, motels or semi-transient commercial housing structures such as Single Room Occupancy Hotels. Transient Shelters are also allowed in Industrial areas with a conditional use permit

D. ENERGY CONSERVATION

The City of Carlsbad through the housing goal of creating a better jobs-housing balance for the city, has instituted a strategy to encourage increased energy conservation through reducing distance between housing and employment. By reducing potential future commute time and distance for residents, conservation of energy particularly oil and gas, can be promoted. Reduction in distance and travel time may also reduce auto emissions as less commuting to work will occur. Encouragement of future housing in proximity to existing and future transit and rail centers will be continued to reduce driving.

The City will also continue the enforcement in Engineering and Building plan-check of the State Title 24 guidelines that include energy efficiency standards for new development. Additional use of energy saving appliances especially those that are built-in to new housing will be encouraged. The City will require all lower-income projects that utilize City assistance or subsidy to be provided with energy efficient appliances.

The City of Carlsbad currently has regulations in its subdivisions that require where possible that future subdivisions take advantage of solar orientation to reduce heating and cooling costs. Through cooperative efforts with local utilities, the City will encourage retrofitting existing housing stock with appliances and fixture that will increase energy efficiency.

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SECTION III

III - HOUSING GOALS, OBJECTIVES, POLICIES AND PROGRAMS

A. FISCAL CAVEAT

The following section of the Housing Element sets out the City's long-term housing goals and identifies a menu of shorter-term objectives, policy positions, and action programs which can be utilized to achieve these long-term goals.

Taken together these four components (goals, objectives, policies, and programs) comprise a broad-based program for the creation of opportunities for the provision of shelter throughout the City. Via this element the City demonstrates its understanding of the magnitude of the housing problem, as well as its understanding of the need for a substantial commitment of City resources to providing the necessary solutions to the problem.

Having demonstrated this understanding, and having affirmed its commitment towards meeting the City's housing needs, it is nevertheless incumbent on the City to acknowledge that the housing program is but one of a large number of programs competing for the finite fiscal resources of the City. Because of this, it is not possible to subject this program to strict budgetary scrutiny. In addition, there may be legal requirements affecting future encumbrances of funds, as well as demands in other areas requiring the City to make difficult decisions on budgetary priorities. While the City embraces the housing programs contained in the following section, it should be recognized that these programs are intended to provide the most opportunities possible for housing rather than any set minimum of housing units.

Nothing in this observation should be construed to mean that the City has any diminished commitment or diminished obligation to responding to Carlsbad's housing needs. Nor shall this observation be construed as a detraction from the City's goal for self-certification of the housing element in 2004.

B. SUMMARY OF GOALS

The Goals, Objectives, Policies and Programs Section of this Element contains the actions the City of Carlsbad will take to promote housing and shelter opportunities for all segments of the community. This section contains overall *Goal* statements, *Objectives* to meet those Goals, *Policies* on positions the City may take to meet those Goals, and *Programs* which are action statements.

There are six **Goals** stated in this Element. The Goals are articulated as a general "end condition statement", which state a desired achievement. The Goals do not contain an action verb as they reflect a final statement of what the City will hope to achieve. How the goal will be achieved is established via the subordinate objectives, policies and, importantly, action programs.

Under each Goal there are several **Objectives**. Objectives are more specific achievements the city will strive to obtain the more broad-based Goal. Each Objective

should address a particular outstanding housing need that is identified in the previous sections of the Element.

Each Objective will contain one or more **Programs** that will describe an action necessary to achieve the Objective. The Programs are briefly described and are to be implemented over the five-year period of the Element. Due to complexities of certain subjects it is important to take a close look at the impacts and implications that these programs may bring about.

Under many Objectives, but not all, there are **Policies**. Policies are statements on the position the City takes to implement an objective. Policies contained in the Housing Element are important statements as they reflect the City's official position on a matter. Future development must be consistent with these policies. Following each program are these three line items:

FUNDING: indicates the source of funds to be used for each program. Where a funding source indicates General Fund it is to mean that the program uses existing staff or resources and is funded by the General Fund. Some Funding sources indicate the use of State, or Federal funds. Where these funds might become unavailable, implementation of these programs may not be possible.

LEAD AGENCY: indicates the agency, department or authority responsible for the program. When more than one agency is listed it is a joint or cooperative effort. The Housing Authority means the City Council authority over any housing program, the administration and actual staffing of which is to be carried out by the Housing and Redevelopment Department.

TARGET YEAR: indicates the time span for most of the programs, usually from 1999 until 2004.

C. GOALS, OBJECTIVES, POLICIES AND PROGRAMS

GOAL 1 (PRESERVATION)

Carlsbad's existing housing stock preserved and rehabilitated with special attention to housing affordable to lower-income households

OBJECTIVE 1.1 (CONDOMINIUM CONVERSION)

The City will continue to implement the program to monitor conversions to condominium of those rental apartments which house primarily low and moderate income households and limit those conversions that reduce the supply of affordable housing for those income ranges.

POLICY 1.1

Conversions to condominiums of existing rental units which contain households of low and moderate income may not be approved unless findings can be made that the units will remain affordable, and the City has met its need for affordable housing stock for lower and moderate income groups.

PROGRAM 1.1

Continue implementation of the program to restrict condominium conversion when such conversions would reduce the number of low or moderate income housing units available throughout the city. All condominium conversions are subject to the City's Inclusionary Housing Ordinance, therefore, the in-lieu fees or actual affordable units required by that ordinance would be used to mitigate the impacts of the loss of these rental units from the City's housing stock to lower income households.

FUNDING: Inclusionary Housing In-lieu fee

LEAD AGENCY: Planning Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 1.2 (MOBILE HOME PARKS)

Reduce or eliminate net loss of existing mobile home rental opportunities available to lower and moderate income households.

PROGRAM 1.2

The City will continue to implement the City's existing Residential Mobile Home Park zoning ordinance (Municipal Code 21.17) which sets conditions on changes of use or conversions of Mobile Home Parks.

FUNDING: Housing Trust Funds

LEAD AGENCY: Planning Dept., Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 1.3 (MOBILE HOME PARKS)

Retain and preserve the affordability of mobile home parks.

PROGRAM 1.3

The City will assist lower income tenants to research the financial feasibility of purchasing their mobile home park so as to retain rents and leases affordable to its tenants.

FUNDING: Housing Trust Funds, State Grants and Loans, Private loans.

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 1.4 (REHABILITATION)

Identify and rehabilitate substandard and deteriorating housing.

PROGRAM 1.4

The Building Department will continue to implement the program to monitor and report to the Housing and Redevelopment Dept., information on housing stock that is substandard and or deteriorating. Identified structures will continue to be reported to the Housing and Redevelopment Dept. for possible assistance under the City's rehabilitation and assistance programs.

FUNDING: CDBG funds, Housing Trust Funds, State and Federal Rehab. Loans, Private rehabilitation loans.

LEAD AGENCY: Building Dept., Housing and Redevelopment Agency.

TARGET YEARS: 1999-2004

OBJECTIVE 1.5 (REHABILITATION SUBSIDIES-RENTAL STOCK)

Provide loan subsidies, loan rebates and other assistance to owners of lower income units in need of repair and rehabilitation.

PROGRAM 1.5

The City, through the Housing and Redevelopment Department and in conjunction with the Building Department, will provide loans, rebates and other support to preserve the existing stock of low and moderate income rental housing. Priority will be given to housing identified by the Building Department as being sub-standard or deteriorating which houses families of lower income and in some cases moderate income. This program depends partially on outside funding from State, and Federal sources.

FUNDING: State grants and loans. Private lending institutions, Redevelopment Set-Aside funds, CDBG funds.

LEAD AGENCY: Housing and Redevelopment Dept., Building Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 1.6 (ACQUISITION AND REHABILITATION)

Acquire rental housing from private owners utilizing various local, state, and federal funding sources, and rehabilitate deteriorated structures if needed.

POLICY 1.6

Of the rental units acquired by the City for rehabilitation purposes by the City's Housing Authority, approximately 20% will be set aside for households in the very low-income range.

PROGRAM 1.6

The City through the Housing and Redevelopment Dept. will implement a program to acquire, using local Redevelopment Set-Aside funds, CDBG, State, Federal and private sector loans, rental housing that is substandard, deteriorating or in danger of being demolished. Twenty percent of the units, once rehabilitated, will be set aside for very-low income households.

FUNDING: Redevelopment Set-Aside, CDBG funds, State and Federal loan programs, private sector loan programs.

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 1.7 (REHABILITATION INCENTIVES)

Provide incentives for the rehabilitation and preservation of deteriorating rental units which house lower income residents.

PROGRAM 1.7

The City will provide financial and processing incentives for the owners of lower income rental stock in need of rehabilitation and preservation. These incentives may include, but not be limited to: the deferral or subsidy of planning and building fees, priority processing and financial incentives such as low-interest rehabilitation and property acquisition loans.

FUNDING: Housing Trust Funds, Redevelopment Set-Aside, CDBG Funds.

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 1.8 (REHABILITATION-HOMEOWNERS)

Provide rehabilitation assistance, loan subsidies and loan rebates for lower-income households, persons of special needs, and senior homeowners to preserve and rehabilitate deteriorating homes.

POLICY 1.8

The Housing Authority provision of rehabilitation assistance and assistance to homeowners will be targeted to low-income, special needs and senior households in that priority.

PROGRAM 1.8

The City will implement a homeowner rehabilitation program targeted to lower-income, special needs (handicapped, low income large-family, etc.,) and senior households that will consist of financial and processing incentives such as low interest and deferred repayment loans, loan rebates, and priority processing.

FUNDING: Redevelopment Set-Aside, CDBG, State, Federal and private sector loans and grants.

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

GOAL 2 (QUANTITY AND DIVERSITY OF HOUSING STOCK)

New housing developed with a diversity of types, prices, tenures, densities and locations and in sufficient quantity to meet the demand of anticipated City and regional growth.

OBJECTIVE 2.1 (REGIONAL HOUSING NEED)

Allow development of sufficient new housing to meet Carlsbad's share of the total regional housing need, as identified in **SANDAG's** *Regional Housing Needs Statement*, the number of which is determined according to the manner in which this Housing Element is to be certified.

PROGRAM 2.1

With the exception of some lower-income and special needs housing which may be assisted by the City, new housing development will be achieved through private sector efforts. New development will be achieved through the auspices of State Planning Law and the City's General Plan and Municipal Code. There is no special program for this overall goal. It is recognized that achievement of this goal will be heavily influenced by private sector marketing strategies; local, state and national economic trends; availability of regional infrastructure and services; and other factors beyond the control of Carlsbad.

OBJECTIVE 2.2 (DEVELOPMENT STANDARDS)

Ensure that development and housing construction achieved through the use of modified codes and standards, that will reduce the cost of housing, will retain quality design and architecture.

PROGRAM 2.2

The Planning Department, in its review of development for all income categories, may recommend waiving or modifying certain development standards or recommending that certain Municipal Code changes be implemented to encourage the development of low and moderate income housing. These recommendations will be reviewed with a goal to reduce costs associated with standards. Although standards may be modified they will also retain aesthetic and design criteria acceptable to the City.

FUNDING: CDBG funds, Redevelopment Set-Aside funds, General funds for administrative purposes only.

LEAD AGENCY: Planning Dept., Engineering Dept., Building Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 2.3 (DEVELOPABLE ACREAGE MONITORING)

Ensure sufficient developable acreage in all residential densities to provide varied housing types for households in all economic ranges.

PROGRAM 2.3

The City will continue to monitor the absorption of residential acreage in all densities and, if needed, recommend the creation of additional residential acreage at densities sufficient to meet the City's housing need for current and future residents. Any such actions shall be undertaken only where consistent with the Growth Management Plan.

FUNDING: Existing City Staff (General)

LEAD AGENCY: Planning Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 2.4 (ADAPTIVE REUSE)

Provide alternative housing environments by encouraging adaptive reuse of older commercial or industrial buildings.

PROGRAM 2.4

The City should continue to explore the potential for adaptive reuse of aging industrial, commercial and some residential buildings by continuing to implement the existing policy that creates affordable living spaces for combined living/working spaces. The principle targeted area for this type of housing is in the downtown redevelopment area.

FUNDING: Redevelopment Set-Aside, CDBG funds.

LEAD AGENCY: Planning Dept., Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 2.5 (MIXED USE)

Encourage increased integration of housing with non-residential development.

PROGRAM 2.5

Continue to implement existing ordinances and policies that allow mixed residential and non-residential uses in the building and/or complex. Major commercial centers should incorporate, where appropriate, mixed commercial/residential uses. Major industrial/office centers, where not precluded by environmental and safety considerations, should incorporate mixed industrial/office/residential uses.

FUNDING: Existing City staff (General)

LEAD AGENCY: Planning Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 2.6 (COASTAL DEVELOPMENT MONITORING)

Identify, monitor, and report the number of affordable housing units constructed, converted, or demolished in the coastal zone.

POLICY 2.6

Pursuant to Government Code Section 65588 and 65590 from January 1, 1982, the City shall monitor, record, and report data on housing units constructed, converted, and demolished in the Coastal Zone together with information regarding whether these units are affordable to lower-income households.

PROGRAM 2.6

As a function of the building process, the City will monitor and record Coastal Zone housing data including, but not limited to, the following:

- 1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.
- 2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments within the coastal zone.
- 3) The number of existing residential dwelling units occupied by persons and families of low or moderate income that are authorized to be demolished or converted in the coastal zone pursuant to Section 65590 of the Government Code.
- 4) The number of residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that are required for replacement or authorized to be converted or demolished as identified in paragraph 3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

FUNDING: General funds - (Administrative only)

LEAD AGENCY: Community Development

TARGET YEARS: 1999-2004

GOAL 3 (GROUPS WITH SPECIAL NEEDS, INCLUDING LOW AND MODERATE INCOME HOUSEHOLDS)

Sufficient new, affordable housing opportunities in all quadrants of the City to meet the needs of groups, with special requirements, and, in particular the needs of current lower and moderate income households and a fair share proportion of future lower and moderate income households.

OBJECTIVE 3.1 (FARM WORKER)

Provide adequate shelter for both the permanent and migrant farm worker.

PROGRAM 3.1

The City shall continue to work with, and assist, local community groups, social welfare agencies, farmland owners, and other interested parties to provide shelter for the identified permanent and migrant farm workers during the five-year housing element period. These efforts will be in coordination with other regional and local programs and will involve neighboring jurisdictions in a cooperative, regional approach.

FUNDING: State and Federal grants and loans. CDBG funds

LEAD AGENCY: Community Development Department.

TARGET YEARS: 1999-2004

OBJECTIVE 3.2 (LARGE FAMILY)

Assure the development of an adequate number of housing units suitably sized to meet the needs of lower-income larger households

POLICY 3.2

In those developments which are required to include 10 or more units affordable to lower-income households, at least 10 percent of the lower income units should have 3 or more bedrooms. This policy does not pertain to lower-income senior housing projects.

PROGRAM 3.2

Those housing projects entering into an agreement with the City to provide lower income housing shall be required to implement Policy 3.2

FUNDING: General Fund (administration only)

LEAD AGENCY: Planning Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 3.3 (HOMELESS)

Provide transitional shelters and assistance for the homeless, recognizing that the needs and domain of the homeless exist on a sub-regional rather than purely local scale.

PROGRAM 3.3.a

Carlsbad will continue to facilitate the acquisition, for lease or sale, of suitable sites for transitional shelters for the homeless population. This facilitation would include, but not be limited to: participating in a regional or sub-regional summit(s) including decision-makers from North County jurisdictions and SANDAG for the purposes of coordinating efforts and resources to address homelessness; assisting local non-profits and charitable organizations in securing state funding for the acquisition, construction and management of shelters; continuing to provide funding for local and sub-regional homeless service providers, temporary and emergency shelters; and reviewing local zoning controls to alleviate any barriers to the feasible provision of housing for the homeless, including temporary and/or seasonal portable structures.

FUNDING: Housing Trust Funds, Redevelopment Set-Aside funds, CDBG funds

LEAD AGENCY: Community Development Agency

TARGET YEARS: 1999-2004

PROGRAM 3.3.b

Continue to provide Federal Community Development Block Grant (CDBG) funds to community, social welfare, not-for-profit and religious groups which provide services within the North County area.

FUNDING: CDBG funds

LEAD AGENCY: Housing And Redevelopment Dept.

TARGET YEARS: 1999-2004

PROGRAM 3.3.c

Continue to work with non-profit organization(s) that receive CDBG funds to offer a City Referral Service to refer, on a 24-hour basis, transient homeless individuals and families to local agencies providing services to the homeless, including regional hotel voucher programs through the Regional County Consortium.

FUNDING: Housing Trust Funds, CDBG Funds

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 3.4 (SENIOR/ELDERLY)

Provide additional senior housing for seniors of different income groups and physical and mental status.

PROGRAM 3.4.a

Continue to implement the current Senior Citizen housing regulations and continue to require monitoring and reporting procedures to assure compliance with approved project conditions. Encourage the provision of a wide-variety of senior housing opportunities, especially for lower-income seniors with special needs.

FUNDING: Existing Staff (General fund)
LEAD AGENCY: Planning Department.
TARGET YEARS: 1999-2004

PROGRAM 3.4.b

Continue to work with senior housing developers and non-profit organizations to locate and construct the 200 units of Senior low-income housing approved through an Article 34 referendum.

FUNDING: Housing Trust Funds, Redevelopment Set-Aside funds, Private financing, state public financing.

LEAD AGENCY: Housing and Redevelopment Dept., Planning Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 3.5 (LOWER INCOME)

Provide a range of new housing opportunities for lower-income households, in all areas of the city.

PROGRAM 3.5

Through the implementation of various programs, the City will pursue, to the best of its ability, Self-Certification of its Housing Element update at the end of the 1999-2004 housing cycle, in accordance with the criteria detailed in the "Housing Element Self-Certification Report: Implementation of a Pilot Program for the San Diego Region" prepared by SANDAG and dated June, 1998 (also known as the SANDAG Housing Self-Certification Report). The Self-Certification housing production goals for the City of Carlsbad are as follows:

Units affordable to low-income households	258 units
Units affordable to very low-income households	201 units
Units affordable to extremely low-income households	170 units

Should the City not meet the Self-Certification criteria detailed in the SANDAG Housing Self-Certification Report, then the City will pursue, to the best of its ability, the production of the City's regional share goals for lower-income housing units as detailed in the "Regional Housing Needs Statement - San Diego Region", prepared by SANDAG and dated November, 1998. The regional share housing needs for the City of Carlsbad are as follows:

Units affordable to low-income households	1,417 units
Units affordable to very low-income households	1,770 units

FUNDING: General fund and various other funding sources.

LEAD AGENCY: Planning Department, Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 3.6 (INCLUSIONARY)

Ensure that all master planned and specific planned communities and all qualified subdivisions provide a range of housing for all economic income ranges.

POLICY 3.6.a

A minimum of fifteen percent of all units approved for any master plan community, residential specific plan, or qualified subdivision (as defined in the Inclusionary Housing Ordinance) shall be affordable to lower income-households.

PROGRAM 3.6.a

The City shall continue to implement its Inclusionary Housing Ordinance that requires 15% of all base residential units within any Master Plan/Specific Plan community or other qualified subdivision (currently seven units or more) shall be restricted and affordable to lower income households. This program requires an agreement between all residential developers subject to this inclusionary requirement and the City which stipulates: the number of required lower income inclusionary units; the designated sites for the location of the units; a phasing schedule for production of the units; and, the tenure of affordability for the units. The City shall continue to assist in the funding of the provision of inclusionary units through funds available in the Housing Trust Fund.

FUNDING: Existing staff (General Fund).

LEAD AGENCY: Planning Department.

TARGET YEAR: 1999-2004.

PROGRAM 3.6.b (IN-LIEU CONTRIBUTIONS)

The City will continue to implement its Inclusionary Housing Ordinance that requires, for all subdivision of fewer than seven units, an in-lieu fee. The fee is based on a detailed study that calculated the difference in cost to produce a market rate rental unit versus a lower-income affordable unit. As of January 1, 1999, the in-lieu fee per market rate dwelling unit was \$4,515.00. This amount of this fee may be modified by the City Council from time-to-time and is collected at the time of building permit issuance for the market rate units. The City will also continue to consider other in-lieu contributions allowed by the Inclusionary Housing Ordinance, such as an irrevocable offer to dedicate developable land or participation in programs that assist the City in reaching it's Self-Certification lower-income housing production goals.

FUNDING: General Fund (Administration Only)

LEAD AGENCY: Planning Department

TARGET YEARS: 1999-2004

OBJECTIVE 3.7 (LOWER INCOME DEVELOPMENT AND INCENTIVES)

Provide incentives, housing type alternatives, and city initiated developments and programs for the assistance of lower-income household.

PROGRAM 3.7.a (DENSITY BONUS)

The City shall continue to implement its Residential Density Bonus or In-Lieu Incentives Ordinance (Chapter 21.86 of the Carlsbad Municipal Code), consistent with Government Code section 65913.4 and 65915. (Density Bonus), by granting a minimum of a 25 percent bonus over the otherwise allowed density, and one or more additional economic incentives or concessions that may include but are not limited to: fee waivers, reduction or waiver of development standards, in-kind infrastructure improvements, an additional density bonus above the minimum 25 percent, mixed use development, or other financial contributions in return for the developer guaranteeing that the project will reserve a minimum of 50 percent of the units for Senior or other special need households, or 20 percent of the units for low income households or 10 percent of the units for very-low income households. These units must remain affordable for a period of 30 years and each project must enter into an agreement with the City to be monitored by the Housing and Redevelopment Dept. for compliance.

FUNDING: General Fund (administration only), Housing Trust Funds, Redevelopment Set-Aside funds.

LEAD AGENCY: Planning Dept., Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004.

PROGRAM 3.7.b (ALTERNATIVE HOUSING)

The City shall continue to implement its Second Dwelling Unit Ordinance (Section 21.10.015 of the Carlsbad Municipal Code) and shall continue to consider other types of alternative housing, such as hotels, single room occupancy units, homeless shelters, and farm worker housing. These alternatives would assist in meeting the City's share of housing for low and very low income households.

POLICY 3.7.b

Approvals and development of alternative housing types such as managed living units, transitional shelters, and migrant farm worker housing are contingent upon meeting the City's required lower income and special housing needs.

PROGRAM 3.7.c (CITY INITIATED DEVELOPMENT)

The City of Carlsbad, through the offices of the Housing Authority and through the Housing and Redevelopment Department, will continue work with private for-profit and especially not-for-profit developers to use local funds from CDBG, Redevelopment Set-Aside funds and other City originated funds and leverage them against State, Federal and private low interest funds to create housing opportunities for low-, very low- and extremely low-income households.

FUNDING: Private Funding, State and Local funding.

LEAD AGENCY: Planning Dept., Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

PROGRAM 3.7.d (SECTION 8)

Continue the City's Section 8 program to provide additional assisted housing opportunities in the Housing Element Period 1999-2004.

FUNDING: Federal Section 8 funding.

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1991-1996

POLICY 3.7.e

Certain lower income housing projects may be excepted from paying the Public Facilities Fees (PFF) pursuant to City Council Policy 17.5.e., which states in part: *The City Council may grant an exception for a low cost housing project where the City Council finds such a project consistent with the Housing Element of the General Plan and that such an exception is necessary. In approving an exception for low cost housing the City Council may attach conditions, including limitation on rent or income levels of tenants. If the City Council finds a project is not being operated as a low cost housing project in accordance with all applicable conditions, the fee, which would otherwise be imposed by this chapter, shall immediately become due and payable.*

PROGRAM 3.7.e (EXCEPTION OF FEE PAYMENT)

Continue to implement City Council Policy No. 17 which allows the exception of the payment of public facility fees for lower-income housing projects. Developments for which Public Facility Fees are excepted may be subject to an analysis of the fiscal impacts of the project to the City.

FUNDING: Redevelopment Set-Aside funds.

LEAD AGENCY: Planning Dept, Housing and Redev. Dept. Finance Dept

TARGET YEARS: 1999-2004

PROGRAM 3.7.f (PRIORITY PROCESSING)

Continue to implement priority processing for lower-income development projects, including accelerated plan-check process, for projects which do not require extensive engineering or environmental review.

FUNDING: General Fund(administration only) CDBG funds

LEAD AGENCY: Community Development Dept.

TARGET YEARS: 1999-2004

PROGRAM 3.7.g (IN-KIND IMPROVEMENTS)

The City will continue to consider contributing to selected lower-income housing development, in-kind infrastructure improvements, including but not limited to: street improvements, sewer improvements, other infrastructure improvements as needed.

FUNDING: CDBG funds, Redevelopment tax increment and Set-Aside funds, General fund.

LEAD AGENCY: Community Development Department
TARGET YEARS: 1999-2004

POLICY 3.7.h.

In order to enable the development of affordable housing, the City will accommodate General Plan Amendments to increase residential densities on all PC and LC zoned properties and all other residentially designated properties. Any proposed General Plan Amendment request to increase site densities for purposes of providing affordable housing, will be evaluated relative to the proposal's compatibility with adjacent land uses and proximity to employment opportunities, urban services or major roads. These General Plan Land Use designation changes will enable up to 23 dwelling units per acre, and, in conjunction with the City's Density Bonus Ordinance, could have potentially unlimited residential density.

PROGRAM 3.7.i

The City shall continue to allow discretionary consideration of density increases above the maximum now permitted by the General Plan through review and approval of a Site Development Plan (SDP).

FUNDING: General Fund (administration only)
LEAD AGENCY: Planning Department
TARGET YEARS: 1999-2004

OBJECTIVE 3.8 (GROWTH MANAGEMENT)

Ensure that incentive programs, such as density bonus programs and new development programs are compatible and consistent with the City's Growth Management Ordinance.

POLICY 3.8.

Pursuant to Council Policy No. 43 (dated April 22, 1997):

To establish guidelines for allocation of "excess" dwelling units when, following the adoption of all residential Local Facilities Management Plans within a quadrant, the Proposition E quadrant cap is greater than the number of dwelling units approved or issued after November 4, 1986, plus the allowable units per Growth Management Control Points.

Although it should not be mandatory that excess dwelling units be allocated if they become available and it would be desirable to not attain the ultimate residential dwelling unit caps established by Proposition E, the following criteria are established to determine eligibility for consideration of "excess" dwelling unit allocation, subject to the required findings in Proposition E.

Projects eligible for consideration in order of priority include:

First Priority

1. *Housing development for lower-income households where allowable housing expenses paid by the qualifying household does not exceed thirty percent (30%) of the gross monthly income, adjusted for household size, at eighty percent (80%) of the county median income.*
2. *Density transfers, clustering of development and dwelling unit locational adjustments which are proposed in order to preserve larger areas of sensitive habitat.*
3. *Infill Single-Family Subdivisions that meet all development standards and where proposed lot sizes will be equal to or greater than adjacent subdivided properties.*

Second Priority

1. *Senior Citizen housing as defined by Carlsbad Municipal Code Section 21.18.045*
2. *Transit oriented development projects where increased residential density is being placed in close proximity to major transit facilities and commercial support services.*
3. *Projects within the existing general plan density range that provide, without compensation, for some significant public facility not required as part of the development process.*

Third Priority

1. *Housing Development for moderate income households where allowable housing expenses paid by these qualifying households does not exceed thirty percent (30%) of gross monthly income, adjusted for household size, at 120 percent (120%) of the county median income.*
2. *Projects proposing a zone change from non-residential to residential based on the following findings;*
 - a.) *The property was zoned for other than residential use on July 1, 1986.*
 - b.) *The property is compatible for residential use without significant mitigation.*
 - c.) *The density of the project does not exceed the Growth Management Control Point of any adjacent residential property.*
3. *Infill multifamily projects that meet all development standards and where the resulting density does not exceed adjacent, existing multifamily projects.*

PROGRAM 3.8

Continue to maintain, monitor and manage the Excess Dwelling Unit Bank, composed of "excess units" anticipated under the city's Growth Management Plan, but not utilized by developers in approved projects. Continue to make excess units available for inclusion in other projects using such tools as density transfers, density bonuses and changes to the General Plan land use designations, consistent with Policy 3.8 above.

FUNDING: Existing Staff(General)

LEAD AGENCY: Planning Dept., Growth Management Division.

TARGET YEARS: 1998-2004

OBJECTIVE 3.9 (SPECIAL HOUSING NEEDS PRIORITIES)

Ensure that new development constructed by the private sector, and public funds allocated for lower-income and special needs groups, will meet the City's lower-income housing needs.

POLICY 3.9

New development and housing that is set aside for low-, very low-, and extremely low-income households will address the unmet housing needs of the community by priorities set by the Housing Authority through the Planning Department and the Housing and Redevelopment Agency.

PROGRAM 3.9

The City will annually set priorities for its future lower-income and special housing needs. The priorities will be set by the Housing and Redevelopment Department with assistance from the Planning Department and approved by the City Council. Priority given to the housing needs for lower-income subgroups (i.e., handicapped, seniors, large-family, very-low income) will be utilized for preference in the guidance of new housing constructed by the private sector and for the use of fund used or allocated by the City for construction or assistance to low income projects. Setting priorities is necessary to focus the limited amounts of available financial resources on housing projects that will address the City's most important housing needs. Priorities will be set annually as needs fluctuate according to how well they are accommodated over time.

FUNDING: Housing Trust Fund, Redevelopment Set-Aside funds.

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEAR: 1999-2004

OBJECTIVE 3.10 (MODERATE INCOME)

Provide a range of new housing opportunities affordable to moderate-income households in all areas of the City.

PROGRAM 3.10.a (MORTGAGE REVENUE BOND)

The City will encourage the development of, subject to market conditions and feasibility, additional units affordable to first-time home buyers of moderate income through a mortgage revenue bond program. The program will be limited to first-time home buyers who rent or work in Carlsbad.

FUNDING: Mortgage Revenue Bonds

LEAD AGENCY: Housing and Redevelopment Dept., Finance Dept.

TARGET YEARS: 1999-2004

PROGRAM 3.10.b (LENDING PROGRAMS)

The City's Housing Authority and Housing and Redevelopment Department will work to secure funding and develop additional lending programs for moderate income, especially first-time home buyers.

FUNDING: Housing Trust Fund and Redevelopment Set-Aside funds

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 3.11 (SMALLER, MORE AFFORDABLE HOUSING)

Reduce the size of housing, thereby reducing costs and increasing affordability.

POLICY 3.11

Residential subdivisions may be approved with lots smaller than required in the underlying zone, but only when the size of the structures is reduced so as to yield less costly houses. The City will consider alternative measures, including, but not limited to, height limits, lot coverage limits, and maximum floor area ratios as the means to control the size of structures on these smaller lots.

PROGRAM 3.11

The Planning Department shall continue to allow smaller homes at lower costs that create housing more affordable to moderate income households, using mechanisms such as small lot subdivisions, as allowed through the City's Planned Development Ordinance (Chapter 21.45 of the Carlsbad Municipal Code).

FUNDING: General Fund(administration only)

LEAD AGENCY: Planning Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 3.12 (LAND BANKING)

Provide adequate land for low income and moderate housing development throughout the city.

PROGRAM 3.12

The City will continue to consider implementation of a land banking program under which it would acquire land suitable for development of housing affordable to lower and moderate income households. The proposed Land Bank may accept contributions of land in-lieu of housing production required under an inclusionary requirement, surplus land from City, County, State or Federal governments, and land otherwise acquired by the City for its housing programs. This land would be used to reduce the land costs of producing lower and moderate income housing developed undertaken by the City or other parties.

FUNDING: CDBG, Redevelopment Set-Aside funds, General Funds (admin only)
LEAD AGENCY: Planning Dept., Housing and Redevelopment Dept.
TARGET YEARS: 1999-2004

OBJECTIVE 3.13 (COMMUNITY REINVESTMENT ACT)

Monitor the lending practices of local lending institutions for compliance under the Community Reinvestment Act to evaluate lending activities and goals towards meeting the communities credit needs.

POLICY 3.13

The City will annually evaluate its banking practices with local and regional lending institutions based on CRA lending reports. The City will reevaluate its relationship with lending institutions that are substantially deficient in their CRA ratings.

PROGRAM 3.13

The Housing and Redevelopment Dept., in conjunction with the Finance Department and the City Treasurer will monitor and evaluate local lending institution's compliance with the CRA Lending institutions which are deficient in meeting CRA lending responsibilities in areas such as multifamily construction and lending for affordable housing will be identified. The City will explore means to encourage greater lending activities in Carlsbad.

FUNDING: CDBG fund, Redevelopment Set-Aside funds
LEAD AGENCY: Housing and Redev. Dept., Finance Dept., City Treasurer
TARGET YEARS: 1999-2004

OBJECTIVE 3.14 (HOUSING TRUST FUND)

The City will maintain the Housing Trust fund to facilitate the construction and rehabilitation of affordable housing.

PROGRAM 3.14

The City will continue to maintain the various monies reserved for affordable housing, and constituting the Housing Trust Fund, for the fiduciary administration of monies dedicated to the development, preservation and rehabilitation of housing in Carlsbad. The Trust Fund will be the repository of all collected in-lieu fees, impact fees, housing credits and related revenues targeted for proposed housing as well as other, local, state and federal and other collected funds.

FUNDING: In-lieu fees, Housing Impact Fees, real property transfer tax, and CDBG funds, local, state and federal funds.
LEAD AGENCY: Housing and Redevelopment Dept., Finance Dept.
TARGET YEARS: 1999-2004

OBJECTIVE 3.15 (HOUSING ELEMENT/ANNUAL REPORT)

Ensure that the Housing Element retains its viability and usefulness through annual amendments, review and monitoring.

PROGRAM 3.15

To retain the Housing Element as a viable policy document, the Planning Department will undertake an annual review of the Housing Element and schedule an amendment if required. Staff will also develop a monitoring program and report to the City Council, and California Department of Housing and Community Development, if required, annually on the progress and effectiveness of the housing programs.

FUNDING: General Fund

LEAD AGENCY: Planning Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 3.16 (ACCESSIBILITY FOR PERSONS WITH DISABILITIES)

Ensure that new and significantly remodeled multifamily residential buildings provide access for disabled persons in accordance with State accessibility requirements.

PROGRAM 3.16

The City will continue to enforce Title 24 of the State Building Code with regard to accessibility for persons with disabilities through the review of site plans and building permits for new construction and significant renovation of multifamily residential dwellings.

FUNDING: General Fund

LEAD AGENCY: Building Dept., Planning Dept.

TARGET YEARS: 1999-2004

GOAL 4 (HOUSING, JOBS, WORK FORCE BALANCE)

Maintenance of a high quality of life and a strong local economy through a balance of residential and non-residential development, in particular, a balance of the skills desired and wages offered by local employers; the skills and education possessed, and wages earned by the local work force; and the cost of local housing.

OBJECTIVE 4.1 (HOUSING IMPACT FEE)

Achieve a balance between 1) the numbers of local jobs created relative to the availability of housing, and 2) the cost of housing relative the wages that are offered.

PROGRAM 4.1

The City will continue to assess the impact of commercial and industrial development on housing demand, and the ability of local employees to afford local housing. Where adverse impacts are identified, mitigation measures will be considered to reduce the

impact. These measures will include, but are not limited to, the requirement for commercial and industrial developers and employers to contribute an in-lieu fee towards the production of affordable housing and employer assistance to finance affordable housing for their employees.

FUNDING: General Fund (administration only)

LEAD AGENCY: Planning Dept.

TARGET YEARS: 1999-2004

GOAL 5 (RESOURCE CONSERVATION)

New and redeveloped housing which conserves natural resources, in particular energy and water.

OBJECTIVE 5.1 (ENERGY CONSERVATION)

Promote energy conservation in new housing development.

PROGRAM 5.1

The City will continue to implement energy conservation measures in new housing development through State Building Code, Title 24 regulations, and solar orientation of major subdivisions through Title 20., Chapter 17 of the Municipal Code.

FUNDING: Private funding

LEAD AGENCY: Community Development Dept.

TARGET YEARS: 1999-2004

OBJECTIVE 5.2 (WATER CONSERVATION)

Promote resource conservation including water conservation in new housing development.

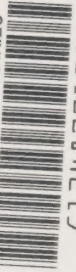
PROGRAM 5.2

New housing construction developed under a water emergency may be required to develop strict conservation guidelines, including but not limited to, mandatory installation of low flush and low flow bathroom and kitchen fixtures, xerophytic landscaping or suspension of landscaping requirements until the water emergency is lifted, and requiring the use of reclaimed water in all construction grading projects. Any such actions shall be in accord with policies adopted by the City in response to declared emergencies.

FUNDING: Private funding

LEAD AGENCY: Community Development Dept.

TARGET YEARS: 1999-2004



GOAL 6 (OPEN AND FAIR HOUSING OPPORTUNITIES)

All Carlsbad housing opportunities (ownership and rental, fair-market and assisted) offered in conformance with open housing policies and free of discriminatory practices.

OBJECTIVE 6.1 (FAIR HOUSING)

Provide a community-wide education program on fair housing laws and practices through the distribution of written materials and public presentations, and monitor and respond to complaints of discrimination in housing.

PROGRAM 6.1

With assistance from outside fair housing agencies, the Housing and Redevelopment Department, which consists of the Housing Authority and Redevelopment Agency, will provide educational materials on "fair housing law and practices" to tenants, property owners, and others involved in the sale and rental of housing within the City of Carlsbad. This information will be available upon request and also distributed at seminars, presentations and public locations such as the City library, community recreation centers, administration buildings and the Chamber of Commerce, as well as through newsletters and other appropriate media.

FUNDING: CDBG funds, Section 8 and Redevelopment Administration funds.

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

PROGRAM 6.2

With assistance from outside fair housing agencies, the Housing and Redevelopment Department will continue its program to monitor and respond to complaints of discrimination. As appropriate, the Department will refer interested parties to the appropriate agencies for fair housing complaint investigation, processing and resolution. If any action is required beyond local agency action, complaints will be forwarded to the appropriate State and/or Federal Agencies.

FUNDING: Section 8 and Redevelopment Administration Funds, CDBG funds.

LEAD AGENCY: Housing and Redevelopment Dept.

TARGET YEARS: 1999-2004

PROGRAM 6.3 (MILITARY, STUDENT REFERRALS)

The City will assure that information on the availability of assisted, or below-market housing is provided to all lower-income and special needs groups. The Housing and Redevelopment Agency will provide information to local military and student housing offices of the availability of low-income housing in Carlsbad.

FUNDING: CDBG Funds, Redevelopment Set-Aside funds.

LEAD AGENCY: Housing and Redevelopment Agency

TARGET YEARS: 1999-2004